

957. Also, memorial of the Legislature of the State of Wisconsin, relating to an increase in the currency of the United States through calling in all Liberty and Victory bonds; to the Committee on Ways and Means.

958. By the SPEAKER: Petition of the League of Struggle for Negro Rights, favoring a law eliminating the abuses and denials of elementary democratic rights for the Negro people; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 9, 1933

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Thou whose name is "Wonderful Counselor", crown us with emancipated minds and aspiring hearts. With firm, abiding faith in Thee, give us the temper, the virtue, and the understanding to do the right. Order all our ways; and may we hope in Thee, whatever may betide. O satisfy us early with inward peace and inward light, and may we wait for the Lord more than we wait for the morning. Forgive our sins and bridge our weakness, and may we be made more noble through discipline and through Thy redeeming grace. Heavenly Father, increase our sense of the divine until Thy excellence, purity, and love appear in everything. In the name of Jesus, our Savior, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

JURISDICTION OF REVENUE BILLS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, on April 3 I introduced a resolution asking that a bill that had been passed by the Senate be returned to that body. The resolution which I introduced was explained at the time, and at the request of the majority leader it was referred, by unanimous consent the next day, to the Committee on the Judiciary for inquiry. During the discussion of its reference to the Committee on the Judiciary the importance of the resolution was made very apparent, and I quote from memory the majority floor leader when he said that, irrespective of the introduction of the Lewis bill, the question of the constitutional provision that I brought up should be decided by the Committee on the Judiciary before that legislation was considered.

The Lewis bill was introduced and is now known as the "Wagner-Lewis bill", and I suppose it is to be enacted today. In the meantime the resolution which I introduced has lain dormant in the Committee on the Judiciary or in the files of that committee. It is well known that a subcommittee was appointed to inquire into the merits of the case, and I understand that subcommittee agrees that the resolution should be adopted. I have inquired of different members of the Committee on the Judiciary why the delay of over a month in reporting to the House on such an important matter as that, and I can get no satisfaction. It seems to be a question of pigeonholing absolutely, because the members of the committee appear favorable to the adoption of the resolution; and, irrespective of whether there is pending today legislation with reference to the subject matter, the question of the constitutional provision such as is covered by Resolution 91 should be answered.

It certainly was the intention of the membership of the House that the Committee on the Judiciary should bring in a prompt report. Therefore I feel justified in offering a resolution of inquiry, which is privileged, and which I send to the Clerk's desk and ask for immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 137

Whereas on April 3, 1933, House Resolution 91 was submitted to this House for the return of the bill S. 812 to the Senate on

the ground that the said bill contravened the constitutional prerogative of this House to originate revenue bills; and

Whereas on April 4, 1933, the said resolution was, by unanimous consent, referred to the Committee on the Judiciary for report; and

Whereas the said Committee on the Judiciary has had the said resolution under consideration since the aforesaid date without having reported on the same; and

Whereas the said resolution raises a question involving a constitutional prerogative of the House of Representatives; and

Whereas it is of the greatest importance that the question raised by the said resolution be settled at the earliest possible moment in order to set at rest the particular question involved, which only the House itself can decide: Therefore be it

Resolved, That the Committee on the Judiciary be, and it is hereby, directed to make a report to this House upon the issue raised by House Resolution 91 within 5 legislative days from the date of the adoption of this resolution.

Mr. BYRNS. Mr. Speaker, reserving a point of order, I want to make a statement under the reservation. I think our good friend, the gentleman from Massachusetts [Mr. TREADWAY], has raised what is purely a moot question. We have entirely too much business before the House today to be spending our time considering something that has no bearing and will have no bearing even if that resolution is reported. My recollection of that resolution is that it was intended to apply to the Wagner bill.

Mr. TREADWAY. The question was involved in the Wagner bill, but not that alone.

Mr. BYRNS. But it referred to the Wagner bill and was intended to apply only to that bill, although it did raise, as the gentleman says, the constitutional question, necessarily; but the House has already passed the House bill. The conferees on several bills have presented conference reports, which are pending, and which I hope will be considered and adopted today. I submit that to pass that resolution now and to ask the Committee on the Judiciary to make a report upon a matter that is wholly a moot question is simply taking up the time of the House.

Now, I want to say to the gentleman that, of course, there is a way whereby he can get consideration of the constitutional question, so as to secure the attitude of the House with respect to these matters, but I do not think it should be brought up in this way, and that the House should be required to spend its time, or that a committee, which is engaged upon very important matters of pressing moment, should be asked to delay those matters while they consider something that has passed beyond the House and beyond the Congress.

I do not see the Chairman of the Committee on the Judiciary on the floor at the moment. The gentleman from Oklahoma [Mr. McKEOWN], a member of that committee, is present, but I think the gentleman from Massachusetts should have notified the chairman of the Committee on the Judiciary that he was going to bring this matter up today; but in justice to that committee I wish to say that that committee was at the time busily engaged in considering matters growing out of the impeachment of a judge in California. It had other important matters before it. A subcommittee was appointed upon this resolution. The full committee never got to its consideration until the House had taken formal action upon the House bill, which, of course, was clearly in order.

We have three rules for consideration today. We have 6 hours' general debate upon an appropriation bill, and I am fearful we will not be able to pass that before Thursday, even if we proceed with the utmost dispatch. Now, to meet at 11 o'clock and have this time taken up by a moot question is asking too much of the House, and I move to lay the resolution on the table.

Mr. TREADWAY. The gentleman has done that before. Will the gentleman yield for a moment?

Mr. BYRNS. I will yield for a moment.

Mr. TREADWAY. This is a very important question; it is too serious to be disposed of by laying it on the table. The decision of the House on a constitutional provision certainly is always applicable and proper and is not a moot question. Let me ask the gentleman one question.

Mr. BYRNS. I will change my statement. It is a moot resolution.

Mr. TREADWAY. No; it is not a moot resolution. I do not admit any part of the gentleman's statement. I may say that it seemed to me the gentleman in all fairness suggested that it be referred to the Committee on the Judiciary for prompt action at the time it was so referred. What I am trying to get now is some explanation why it has not been reported upon. And, further than this—

Mr. BYRNS. Now, if the gentleman will permit—

Mr. TREADWAY. I did not interrupt the gentleman while he was making his statement. I did not yield the floor. I do not know how the gentleman took me off my feet.

Mr. BYRNS. I was speaking under my reservation of a point of order, so I am not impinging on the gentleman's time.

Mr. TREADWAY. Very good. Let us act hastily, if the gentleman wants to. Will the gentleman not say that in the course of the 5 days this resolution provides for that a decision on as important a question as this can be rendered by the Committee on the Judiciary?

Mr. BYRNS. I cannot say that because I do not know what other pressing matters are pending before the committee.

Mr. TREADWAY. Members of the Committee on the Judiciary are here. The gentleman from Michigan [Mr. HOOPER] is present. He is a member of the subcommittee to which the resolution was reported. He knows how busy the committee is. I would like for the gentleman from Michigan to tell us whether that committee can consider it.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. McKEOWN. We have the corporate reorganization bill pending before us at the present time. This is a bill in which there is widespread interest and which is being asked for all over the country at this time. The gentleman well knows that the question is one upon which the House will never agree, nor will the lawyers on this committee ever agree upon it.

Mr. TREADWAY. On what question?

Mr. McKEOWN. The question the gentleman has proposed.

Mr. TREADWAY. Why, they will agree on it, the gentleman from Oklahoma and everybody else; but at least you should carry out the wishes of the House and report to it so action can be taken promptly.

Mr. McKEOWN. They will not agree on it.

Mr. BYRNS. I can understand how it is important in the eyes of the gentleman from Massachusetts, for he comes from a State where it is the practice of the court to render advisory opinions without any issues before it. We have another issue here.

Mr. TREADWAY. We have before us an issue of very great seriousness.

Mr. BYRNS. It seems to me a useless waste of time under all the circumstances.

Mr. TREADWAY. Will the gentleman from Tennessee yield so the gentleman from Michigan [Mr. HOOPER] may make a statement on the situation as he knows it?

Mr. BYRNS. I am not going to yield for anyone to make a long statement, because we must get along.

Mr. BLANTON. Mr. Speaker, I make the point of order that the resolution offered by the gentleman from Massachusetts [Mr. TREADWAY] is not privileged and that it is out of order.

Mr. TREADWAY. The gentleman from Texas is mistaken.

Mr. BLANTON. Mr. Speaker, I make the point of order that when by vote of the House the resolution was referred to the Committee on the Judiciary the only way to take it away from that committee is by a discharge rule.

Mr. TREADWAY. Mr. Speaker, I desire to be heard on the point of order.

Mr. BYRNS. Let me say to the gentleman from Texas that the quickest way to dispose of this matter is for him to withdraw his point of order and allow the House to vote on the motion to lay the resolution on the table.

Mr. BLANTON. Under the circumstances, Mr. Speaker, if such is the wish of the majority leader, I withdraw the point of order so that we may vote to lay the resolution on the table.

Mr. TREADWAY. Does the gentleman withdraw the point of order?

Mr. BLANTON. Yes.

Mr. BYRNS. The gentleman withdrew the point of order.

Mr. Speaker, I move to lay the resolution on the table.

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 173, noes 47.

So the resolution was laid on the table.

Mr. TREADWAY. Mr. Speaker, I shall not raise the point of no quorum. I can, but I will not out of courtesy to the majority party; but I do ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Under unanimous consent to extend my remarks I add the following:

Possibly the purpose of my resolution, directing the Committee on the Judiciary to report to this House upon the issue raised by House Resolution 91 within 5 legislative days from the date of the adoption of my resolution, has been accomplished even though the majority leader saw fit to again use his authority to table the proposition. His discussion of the merits of the resolution and his reference to it as a moot question were undoubtedly made hastily, because I am sure the able gentleman would not hold that a decision on as important a resolution as one having to do with the constitutional rights of the House falls within the definition of the word "moot." I also am certain that with the majority leader's thorough knowledge of parliamentary procedure and the effect of precedents on future action, either of the presiding officer or of the House itself, he would not want it to appear that any effort was being made to prevent action on the constitutional question involved.

There need be no mystery regarding the failure of the Judiciary Committee to report on Resolution 91. It is very apparent that the favorable findings of the subcommittee are not agreeable to some members of the full committee, and that in some unknown manner the report of the committee is being delayed.

When this question was referred to the Judiciary Committee at the request of the gentleman from Tennessee both sides were acting in good faith. In view of the importance of the question, it was proper that the legal opinion of the House as determined by the Judiciary Committee should be obtained.

Inasmuch as the Senate will continue to send to the House bills containing revenue items, time will be saved by prompt action on the part of the Judiciary Committee in making its report. The gentleman from Tennessee argued about the amount of business before the House today. The adoption of the resolution of instruction to the Judiciary Committee would have taken a great deal less time than was consumed in the debate. I feel very confident that in the near future the original resolution will be reported back by the Judiciary Committee. While I will gladly await the committee's action, its failure to act will not be countenanced. Therefore I expect very soon a vote on the merits of the question rather than yielding to the attempt of the majority leader to prevent the matter coming up by moving to lay resolutions on the table.

I am as anxious to expedite the business of the House as any member of the majority, but I stand upon my constitutional rights as a Member, and as this is the third occasion on which I have brought up this subject it may be understood that dilatory tactics will not be permitted indefinitely.

Let me further refer to remarks of the majority leader, quoting from page 1208 of the CONGRESSIONAL RECORD of April 4:

Mr. BYRNS. * * * It seemed to me that it would be infinitely better, as I have said, for the Judiciary Committee, since it involves a question of constitutional law, to make an investigation

and report tomorrow or as soon as may be their conclusions as to whether or not the action of the Senate violated the spirit of the Constitution.

The gentleman from Texas [Mr. BLANTON] endeavored to raise a point of order which, if it had not been withdrawn, I would have been glad to discuss.

In order that the matter may be before the House when the resolution is called up, I desire to invite attention to a ruling by former Speaker John G. Carlisle, whose ability as a parliamentarian has always been recognized. I quote from *Hinds Precedents*, volume 3, section 2558, page 1057. Speaker Carlisle said:

The Chair thinks whenever it is asserted on the floor of the House that the rights or privileges of the House have been invaded or violated by any other body or by an individual a question of privilege is presented, at least to the extent that the Chair is obliged to submit it to the House for its decision. Of course the Chair itself will decide all questions of order arising during legislative proceedings of the House, but when the allegation is made that the rights or privileges of the House collectively have been invaded that is a question which does not come within the province of the Chair to decide. The House is the custodian and guardian of its own rights and privileges as a body, and must always possess the power and have the opportunity to determine what those rights and privileges are and whether or not they have been improperly interfered with.

In this decision Speaker Carlisle took the position that "the House must always possess the power and have the opportunity to determine what its rights and privileges are."

This could not be so, however, if a committee of the House, one of its creatures, should, after a reasonable length of time, see fit to withhold its conclusions on a question of constitutional privilege and ignore the implied if not definite instructions of the House to report thereon.

The Committee on the Judiciary, by the mere reference to it of House Resolution 91, in the light of the discussion at that time, and especially the remarks of the majority leader which I have quoted, is in duty bound and under moral obligation to the House to report on the subject matter. Failure to report to the House justifies action by the House to enforce its rights, and it would be competent, as a question of privilege, to instruct the Committee on the Judiciary to submit a report.

The importance of the issue raised by the resolution cannot be overemphasized. The gentleman from Massachusetts [Mr. LUCE] in his remarks on the resolution on April 4 recalled that in the Constitutional Convention of 1787 the question of the "power over the purse" came near splitting the convention, and that only the compromise proposal giving the States equal representation in the Senate and proportional representation in the House, with the exclusive right in the House to initiate money bills, enabled this Nation to be created. In closing his remarks, the gentleman said:

This issue ought now to be settled once and for all, in spite of exigency, in order that we may know whether the bargain by which this Nation was created shall still be kept.

In a sense, any further action on the resolution may be said to be unnecessary, since a House bill identical to S. 812 has now been acted upon by both branches of the Congress. However, the Senate bill still lies upon the Speaker's table, and it should either be returned to the Senate or its consideration should be indefinitely postponed. If the Committee on the Judiciary finds that the bill did not properly originate in the Senate, that body should be so informed for its future guidance.

A comprehensive report by the Judiciary Committee upon the whole question of the power to originate revenue bills would be doubly useful. In the first place, it would enable the House to determine more clearly when its rights are being encroached upon; and secondly, it would serve as a guide to the other body in initiating legislation in the nature of a revenue measure. I do not say that the Senate deliberately passes legislation which it knows should originate in the House of Representatives; but oftentimes, without any consideration of the constitutional aspects, it passes bills which clearly should have originated in this body. On the other hand, the House sometimes sleeps upon its rights

and allows legislation to be enacted which does not have the proper origin. I have already pointed out an instance where the House disregarded its rights in order to secure the more speedy enactment of certain legislation.

The most dangerous invasion of the rights of the House comes when revenue matters are added by amendment to House bills which are not in the nature of revenue measures. For example, consider the inflation amendment to the farm relief bill. This matter is one of the most important ever to come before the Congress, and its consequences are so far-reaching as to affect every man, woman, and child in the United States. Yet, under the parliamentary procedure, no committee of the House held hearings on this provision, no committee of the House considered the advisability of changes in the measure, and the House had no opportunity to amend it. Only its representatives on the conference committee will have any hand in the final shaping of the amendment before it is enacted into law, and these conferees are not members of the committee having jurisdiction of the subject matter covered by the amendment. Thus we have a revenue amendment which, in effect, is written into law by the Senate of the United States with no real consideration of the matter by the House of Representatives.

If the "power over the purse" was of such importance as to be the chief item of contention in the Constitutional Convention of 1787, certainly it is worthy of being upheld by the House of Representatives at this time. This power has frequently been challenged by the Senate, but in clear cases that body has always acquiesced in the rights of the House when its attention has been directed to bills or amendments which have not properly originated there. Where it has not been clear whether the rights of the House have been invaded, the Senate has from time to time engaged in controversy with the House; but in the last analysis this body is the final arbiter. The House can always refuse to consider a Senate bill or amendment which in its opinion should not have originated in that body.

This House should jealously preserve its high privilege of initiating money bills, but to do so it must constantly be on guard against encroachments from the other body. I apprehend that no Member wishes to abdicate this power in favor of the Senate. We have all sworn to uphold the Constitution of the United States, and it is our duty, as much as it is our right, to insist that revenue bills should originate in the House of Representatives.

The difficulty, of course, comes in determining what is a revenue bill. This is a matter which has never been clearly defined. The Committee on the Judiciary, being the law committee of the House, is the proper body to lay down some rule which may serve to guide us in determining whether our rights are being transgressed upon. The House is entitled to know, with some degree of certainty, how far it can go in insisting upon its prerogative, and it is the duty of the Judiciary Committee to inform the House without further delay. With so many bills having revenue provisions originating in the Senate, it is important that the House should be prepared to ascertain intelligently whether they were properly initiated in that body.

Before concluding, I should like to bring out a point in connection with this matter which is seldom considered, but which is of great importance. I refer to the fact that the constitutional provision requiring revenue bills to originate in the House of Representatives is mandatory. Hence, any person may challenge the legality of any revenue measure which did not have its origin in this body. Numerous cases have been before the courts on this point.

In the past, it has generally been the practice of the leaders of the majority party to raise the question of origin when revenue bills came to this body from the Senate. In the absence of any move on the part of the leaders of the present majority to challenge the two measures which I have sought to return to the Senate during the present session, I have felt it my duty, as a Member of this body, to do so. My purpose has not been to delay or hinder legislation, but only to preserve the integrity of this House and to uphold the mandate of the Constitution.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. FISH] may have 10 minutes in which to address the House relative to the soldiers' convention that is to take place here within the next few days.

Mr. BYRNS. Mr. Speaker, reserving the right to object—and I am not disposed to object to any reasonable request that comes from the distinguished gentleman from New York, but the gentleman knows the calendar is pretty heavy today. We are anxious to get rid of these three rules which will come up for action and then to get into the general debate upon the appropriation bill. Six hours of general debate have been provided for.

Mr. SNELL. I appreciate the situation, and I may say to the gentleman that when I notified him I was going to make this request, I did not know the other matter was coming up; but 10 minutes will not mean very much delay, and we will try to make it up for him during the day.

Mr. BYRNS. I cannot object, with the understanding that the gentleman from Washington, who was cut off from addressing the House yesterday by the point of no quorum, may be allowed to address the House for 5 minutes, and with the further understanding that no additional requests for time for discussion will be submitted; for if any are submitted, I shall be compelled to object to them, and I shall also be compelled to object to any extension of time.

Mr. SNELL. That is satisfactory.

Mr. BYRNS. So, with the understanding that the gentleman from Washington may have 5 minutes in which to address the House, I shall not object to the request of the gentleman from New York.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I am with the gentleman from New York [Mr. FISH] in all his fights against communism, but it would be out of place at this time for him even to intimate that the patriotic soldiers of this country would be communistic if they came to Washington. So, Mr. Speaker, I object.

Mr. SNELL. I think the gentleman can let the gentleman from New York take his own position in regard to that.

Mr. BLANTON. These soldiers, if they are real soldiers, have the right to come to their Nation's capital whenever they want to do so, and I object.

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Mr. Speaker, I object.

FARM RELIEF

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 136.

The Clerk read as follows:

House Resolution 136

Resolved, That notwithstanding the previous action of the House relative to the conference report on the disagreeing votes of the two Houses on the bill H.R. 3835, immediately upon the adoption of this resolution the House shall consider said conference report without the intervention of points of order against the same.

Mr. GREENWOOD. Does the other side desire time on this resolution?

Mr. RANSLEY. There is no desire for time on this side of the House.

Mr. GREENWOOD. Mr. Speaker, this is a rule to make in order amendment 14 of the conference report on the farm relief bill, in which there is a slight variation from both the Senate and the House bills.

Section 8 of the House bill contains the general powers, and the bill reads:

To provide for reduction in the acreage or reduction in the production for market, or both, of any basic agricultural commodity, through agreements with producers or by other voluntary methods, and to provide for rental or benefit payments in connection therewith.

The Senate had a similar provision which provided that the Secretary of Agriculture could make advance payments on grain stored on the farm to carry out rental or benefit

agreements, and the conferees adopted an amendment which varies the language but slightly, as follows:

Under regulations of the Secretary of Agriculture requiring adequate facilities for the storage of any nonperishable agricultural commodity on the farm—

And so forth.

There was some question raised as to the word "non-perishable" being of broader scope than the words "basic commodities", and therefore went beyond their authority under the language of either the House or the Senate bill, and this resolution from the Committee on Rules simply waives all points of order on this amendment with respect to two very similar provisions in the two bills.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

The SPEAKER. The Clerk will report the conference report.

Mr. JONES. Mr. Speaker, the report was read on yesterday, and I therefore ask unanimous consent that the further reading of the conference report be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, this report covers some 84 amendments. The conference reports an agreement on 83 of the 84 amendments.

Amendment no. 83, which covers the so-called "Simpson-Norris features", sometimes referred to as "the cost-of-production amendment", is a distinct amendment on which the conferees have not been able to agree. After action on the conference report, if the report is adopted, the question of disposition of this amendment will be taken up in the House as a separate matter. I make this statement so that those who are interested in the amendment may understand that it will be taken up after the adoption of the conference report, should the report be adopted.

A number of these amendments are clerical. One of the amendments was discussed yesterday, and I shall not take time to go into it. I shall simply undertake to discuss the main features of the conference report embodying changes in the bill as it passed the House.

Amendment no. 4 has what is called "a warehouse-agreement provision"; and if you will turn to page 2 of the report, I think you will get a thorough understanding from just a reading of this amendment, which I shall not undertake to read now.

The other features of the so-called "farm bill" are largely the same, with some minor changes as to administration. There are some minor changes in the method of collecting the processing fee.

There were some changes in the trade-agreement section. The Senate put in the word "basic" in the trade-agreement section, and this term is stricken out wherever it occurred.

In the following section, which is the licensing section, the terms were changed so as to broaden its scope and make it harmonize with the trade-agreement section.

However, there was one place where the word "basic" occurred in which the word "basic" was included in both the Senate and the House bills and could not be excluded because it was not within the range of the activities of the conference. A special resolution has been prepared for presentation—House Concurrent Resolution No. 18—which we hope to take up a little later, providing for striking out the word "basic" in this section. If we had known a point of order was going to be made and that we were going to be put to the necessity of getting a rule, we might have included that change also in the conference report. However, in order to conform to the wishes of those who will have to administer the act, this word will be excluded if the concurrent resolution is passed.

In the mortgage feature of the bill, the conferees, in view of the discussion, inserted the word "normal" before the word "value", so that they may have discretion in adjust-

ing these loans or in making new loans, and so there may be no question of the fact that they are not limited strictly to present-day values. I understand this has been their custom anyway, but this provision removes any doubt about their ability to do this.

On the question of winding up the joint-stock land banks, the Senate bill provided for \$125,000,000, and the conferees have reduced this to \$100,000,000.

If they are able to furnish adequate security, they will be permitted to borrow not to exceed \$100,000,000 from the Reconstruction Finance Corporation for the purpose of orderly liquidation. There is a provision in both sections that the agreements shall be supervised and approved by the Farm Loan Commissioner, so that they may be fair to the borrower, the bondholder, and to the stockholders.

Mr. SNELL. Will the gentleman yield?

Mr. JONES. I will yield.

Mr. SNELL. Do I understand that it is the intention of the Department or Congress that the joint-stock land banks be liquidated?

Mr. JONES. Yes. Provision is made for their liquidation. They are forbidden to make any more new loans, except to refinance, and forbidden to issue any more bonds of the type heretofore issued.

Mr. McFADDEN. In case of losses, who is to stand the loss?

Mr. JONES. The losses incurred in the course of liquidation?

Mr. McFADDEN. Yes.

Mr. JONES. There would be no choice except for the bondholders and the stockholders to stand the loss.

Mr. McFADDEN. Is there any provision or understanding that the Government shall assume the losses?

Mr. JONES. No; there is no provision and no such understanding.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. JONES. I yield.

Mr. COCHRAN of Missouri. Does the act provide for relief for the joint-stock land banks already in the hands of a receiver?

Mr. JONES. Yes.

Again, the Senate bill had a provision requiring that all borrowers should join the Farm Loan Association—making it mandatory. The conferees changed that provision so that while the direct loan calls for one-half-percent interest higher rate, the question of joining the association will be permissive. I feel that that provision of law will do away with a good deal of irritation. It will make the joining of the association voluntary, and the Government will not be in the attitude of forcing such action.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CLARKE of New York. The only difference is that the interest will be one half percent higher.

Mr. JONES. It also provides that the joining of local associations shall not be mandatory.

Mr. JOHNSON of Texas. The borrower has the option.

Mr. JONES. That is correct.

Mr. JOHNSON of Texas. It is optional although there may be another one in that community.

Mr. JONES. That is my understanding.

Mr. TARVER. Will the gentleman yield?

Mr. JONES. I yield.

Mr. TARVER. There are some cotton growers in my State who are under the impression that a tentative contract has been entered into between the chairman of the Farm Board and the American Cooperative Cotton Association by which the cotton held by the association as security for loans shall be turned over to the Secretary of Agriculture for the amount of the loans, not to exceed 90 percent of the market price at the time of the delivery. Now, the amount loaned on it in some instances was only 50 or 60 percent of the market value for cotton at that time. Does the gentleman understand that by Senate amendment no. 5 the Secretary of Agriculture may acquire title to cotton held by A.C.C.A.

without paying the 90 percent of its market value at the time of delivery by the grower as security for loan?

Mr. JONES. He will pay 90 percent of the market value at the time the borrowing was made.

Mr. TARVER. I understand the fact that the contract must be voluntary, but I wanted the gentleman's impression as to whether or not, under this provision of the bill, the Secretary of Agriculture, or the Farm Board acting for him, could make a contract for the delivery of cotton at less than 90 percent of the market price at the time of its original delivery to the American Cooperative Cotton Association as collateral.

Mr. JONES. I think if the gentleman will turn to subdivision 1, on page 4, lines 20, 21, and 22, he will find that he is required, if he makes adjustments, to make such adjustments as will give them the amount they were advanced plus enough to make it up to 90 percent of the then market price.

Mr. TARVER. Then the Cooperative Association could not make a contract for less than 90 percent of the then market price?

Mr. JONES. That is my impression.

Mr. TARVER. One other question. I am informed that at the time of the original delivery to the American Cooperative Cotton Association a contract was entered into by which the cotton was to be held for a period of 3 years. Is the gentleman familiar with that contract?

Mr. JONES. I understand there is some sort of an agreement. I do not know exactly the terms of the agreement, but I understand there was some such an agreement that they would agree to hold it for as long as 3 years, and that period will expire July 31. I am not quite sure as to the exact date. I think there was some such agreement. However, the holders of that cotton and the organization will have the advantage of having these loans canceled, if this agreement is entered into. I take it that there was some such agreement as the gentleman refers to. I would rather not undertake to state specifically what it was, but the gentleman can secure a copy of that and interpret the terms.

Mr. TARVER. It is not the gentleman's impression that the American Cooperative Cotton Association could sell the cotton of those farmers to the Secretary of Agriculture, even at the price stated in the bill, without their consent?

Mr. JONES. I should not want to pass on that legal question. That is a legal question that would require the interpretation of documents. It would require the interpretation of three or four different types of documents. I do not think that is my province. I think if the gentleman will call up the Farm Credit Administration he can secure that information. They have good attorneys and they will be glad to give the gentleman their interpretation.

Mr. TARVER. But that will be after the adoption of this report. I am trying to get information which will aid me as a Member of this House in voting on this report.

Mr. JONES. I am sorry, but I do not want to pass on that. I have not before me the agreements nor the constitution and bylaws of the State and National organizations nor the agreements between the individuals and the State cotton cooperatives, nor the agreement between the State cotton cooperatives and the A.C.C.A. Not being familiar with the terms of those contracts and agreements, it would not be proper for me to state what their legal rights are. The gentleman is a lawyer, and he knows it would depend upon the wording of those contracts.

Mr. TARVER. But I think we should have the information before we vote on this conference report.

Mr. JONES. Insofar as the bill is concerned, they are given the option to make this sort of a settlement with the Secretary of Agriculture, and he, in turn, is authorized to make settlements. Of course, if they have contracts dating behind that, which would forbid certain types of settlements, they could not make them. If they did not have, they could make them.

Mr. TARVER. Let me state to the gentleman there is now pending in my State an injunction suit, instituted by the cooperatives, seeking to restrain the American Coopera-

tive Cotton Association from the execution of a contract which they claim has already been entered into for delivery of this cotton without the consent of the owners of the cotton, and at less than 90 percent of the market price at the time of its original delivery.

Mr. JONES. I do not understand such a contract could be entered into prior to the enactment of the law.

Mr. TARVER. I am trying to secure information as to what is being attempted. I think the House should know that, and the gentleman should know it, before acting on this bill.

Mr. JONES. I thank the gentleman for his contribution.

Mr. McCLINTIC. Will the gentleman yield?

Mr. JONES. I yield.

Mr. McCLINTIC. If I understood the distinguished chairman of the Committee on Agriculture correctly, he mentioned the American Cooperative Cotton Association, an organization set up by the Farm Board. Most of the Members of this House are acquainted with the high salaries paid by this particular set-up, including some that reached enormous figures.

Mr. JONES. Yes. Some of them were entirely too high.

Mr. McCLINTIC. I should like the gentleman to tell us whether or not that organization is still functioning to the extent that they are paying those salaries that run as high as \$50,000 or more?

Mr. JONES. I do not have full information. I understand they have very materially reduced their salaries, although I have no definite information. I am sure the gentleman could get that by making inquiry. I do not know to what extent they are functioning. These organizations are still in existence if my information is correct.

Mr. GOSS. Will the gentleman yield?

Mr. JONES. I yield.

Mr. GOSS. Yesterday the gentleman introduced House Concurrent Resolution 18, which makes an important amendment to this bill. Has the gentleman taken up with the leadership on his side as to whether or not we will have consideration of that changed wording, so that that may be put into the enrolled bill? Is the House to understand the gentleman will use all pressure possible to have that amendment put in?

Mr. JONES. We are going to try to secure the passage of the amendment.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. JONES. Yes; I yield.

Mr. SAMUEL B. HILL. I should like to ask the chairman of the committee what were the impelling reasons which induced the conferees to eliminate from the bill the provisions of section 36, on page 55, providing facilities for refinancing through the Reconstruction Finance Corporation of the debts of levee districts, drainage districts, and irrigation districts? Why that discrimination against the agriculture of the western section?

Mr. BYRNS. How about the amendment excluding the sweepings of tobacco? I fail to find it in the bill.

Mr. JONES. That is amendment no. 36.

Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY]. He has studied this matter. It is his intention to make an explanation of it and to answer such questions as the Members wish to ask.

Mr. DOXEY. Mr. Speaker, I realize full well that most of the Members are deeply interested and concerned in this piece of legislation. I feel also that some of them are very much more familiar and more interested with some of the amendments and proposed provisions than with others; but permit me to say that this piece of legislation is a combined program of farm relief known as the omnibus farm bill and consists of about four great sections as you know. As one of the conferees I feel some facts and circumstances should be explained to this House in order to give the Members the background of the conditions with which we were faced when we met in conference with the Senate, and also to let the Members of the House know we did the best we could under the circumstances.

The first great provision of this bill is the emergency farm-relief program, which includes the Smith plan and the so-called "domestic-allotment plan."

The second great provision of the bill is the farm-refinancing program, or the farm-mortgage provision. This includes, may I say to the gentlemen from Colorado, Washington, and Oregon, who just asked the Chairman a question with reference to the deleting of Senate amendment on page 55 with reference to irrigation and drainage districts, the agricultural-refinancing program of the levee, drainage, irrigation and similar districts throughout the United States.

Then we have in this bill the inflation program which your conferees were not concerned with, because this House has heretofore voted and expressed its approval of that measure.

Mr. MARTIN of Colorado. Mr. Speaker, may I ask the gentleman if he will permit some questions with reference to certain features of the bill?

Mr. DOXEY. I may say to the distinguished gentleman from Colorado that I feel it is my duty, as well as my privilege, to yield to any Member just as many times as I can within the limited time allowed me.

Mr. MARTIN of Colorado. Will it interrupt the gentleman if I ask him a question?

Mr. DOXEY. It will not interrupt me, because I am here to answer any question I am able to. I may say to my distinguished friend that I mean to do what I say. We will discuss this bill. We will not discuss at this time amendment no. 83, the price-fixing amendment. Under the rule this amendment will be considered after we take a vote on the combined amendments en bloc, the 82 amendments as to which the House conferees and the Senate conferees have reached an agreement. After we vote upon them we will take up the price-fixing amendment, have an hour's discussion, as I understand, and then vote upon it. So let us start with the inflation feature.

Mr. MARTIN of Colorado. May I say to the gentleman at this point that to my interruption with reference to the changes made by the conference committee in section 36 to the Senate amendments is in entire good faith, and it is almost imperative on me to make the interruption, for the reason that we western Members of the House, few in number from the different States, feel somewhat restive owing to the fact that we have to look to our Senators for anything concerning our States, for our representation in the Senate is much more powerful?

Then, when our Senators succeed in getting anything done for our States, as was done in section 36 by the amendment authorizing loans to private irrigation corporations, and so forth, we find the House conferees insist on cutting those things out; and we have to swallow the conference report as a whole and vote against practically everything we have got in this bill through the intervention of our Senators. As I understand, the conferees have taken out of the Senate amendment all the private irrigation projects.

I may say to the gentleman that part 4 of the Jones bill, H.R. 4795, relating to refinancing of agricultural improvement district indebtedness, was of the utmost interest to the Western irrigation States. The Jones bill, as it passed the House, did not contain the provision for loans to private irrigation and drainage companies. At numerous meetings held by Members from those States it was agreed that it was highly desirable to amend the bill as it was amended in the Senate and which could not be done in the House under the procedure, and the amendment was inserted at the instance of a western Senator, Mr. COSTIGAN, of Colorado.

I may add that I have in mind private irrigation companies, which are engaged in irrigation only and which were organized and completed many years ago by farmers and public-spirited business men, and which under the adverse conditions in their localities are sorely in need of the aid afforded under section 36 of the bill. They look to us for this relief and will no doubt feel that, our Senators having succeeded in putting it in the bill, we in the House should have been able to keep it in. That is what we are up against.

Mr. DOXEY. I can appreciate the gentleman's position and I am going to change my plan of procedure and the method I had hoped to employ in the discussion of these amendments and the conferees' agreements in view of what he has said. I am going to tell the House a little something about section 36 and what was in the minds of the conferees.

I say without fear of successful contradiction that what the gentleman says with reference to his distinguished Senators is, in some measure, true; but it is in no sense a reflection on the Members of the House from the Western States.

This amendment was placed in section 36 in the last hours of the debate in the Senate. I will not state what is and was in the minds of the Senate conferees as they expressed themselves in conference, but I want to reason with you, if I may, why this amendment should be deleted and not included in this bill.

I may say to my good friend that title IV, section 36, to which he refers, was not in the original farm refinancing program. It was put in there on a Sunday and it was cut out by the Senate Banking and Currency Committee.

Title IV, section 36, relating to drainage, irrigation, and levee districts and similar districts, was in this bill and was kept in it by the House Committee on Agriculture. [Applause.] The bill came up on the floor with this provision in it. It passed the House and we kept the original House provision in it, and when it went to conference there was not—I say it with all due deference—a friend of the Senate's added provision among the House conferees for the proposition that loans to private enterprises and projects, including reservoirs, dams, and electric-power projects, and other private enterprises of this kind, should have been included and be permitted to participate in obtaining aid from the Reconstruction Finance Corporation in the \$50,000,000, which amount we could not raise in conference.

Why? I believe the gentleman will agree with me and appreciate the fact that there are friends of these projects in this House on this conference committee, but we only had \$50,000,000. How far would \$50,000,000 go throughout the United States if you are going to include every private corporation or every little district where any kind of ditch or irrigation project is concerned, especially when you consider the great projects which are public in their nature and are entirely different from the projects that the gentleman has in mind, both as to levee, drainage, irrigation, and other similar districts, which would not be benefited to any great extent because the base of the amount in this provision available for loans by the Reconstruction Finance Corporation is limited to \$50,000,000.

I want to ask the gentleman to consider a minute the language of part 4 of section 36, on page 56, and go with me to line 17, the language of the amendment the gentleman is complaining about, which says:

Including private corporations organized for levee and drainage and irrigation purposes—

And so forth. I shall not take the time to read all of it, but it takes in all kinds of irrigation districts, dams, reservoirs, and electric projects developed by and incident to all the irrigation projects that one could imagine.

The gentleman has in his own State, as well as do other gentlemen from the western section, projects of this kind; and I may say to the gentleman that the House has tried to help them in every way possible, and will continue to do it, but if this language goes in here I say that in my humble judgment there will be very little benefit to any kind of district, because the spread will not permit it and \$50,000,000 will be but a drop in the bucket.

I think this will answer any argument made back home by your constituents. Why? Because your constituents and your districts have an additional \$5,000,000 in this bill, in section 36, carried under the Newlands Act, where, if the fund is a reclamation fund, they are permitted to borrow from the Reconstruction Finance Corporation an additional \$5,000,000, outside of participating in the \$50,000,000, just as any other public, legal entity can, where it is in financial

distress, where it is shown that it is economically sound and is organized under the laws of some State; but, my friends from the West, do not say by your vote that they can participate just because they are private individuals organizing companies of their own, selling stock to the public, and therefore should be able to come in under the provisions of this amendment. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Will the gentleman from Texas yield the gentleman from Mississippi 1 more minute so that I may ask a question?

Mr. JONES. I yield the gentleman 1 more minute.

Mr. DOXEY. I want to say to my distinguished chairman that he is very kind, but I do not want to impose on him. I know he has more demands for time than he has time at his disposal, but I shall be glad to yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. I just want to understand a little more clearly what the gentleman from Mississippi has said with respect to the rights of these corporations, districts, and so forth, to avail themselves of the credit of the Reconstruction Finance Corporation without this particular provision.

Mr. DOXEY. They cannot avail themselves of it if they are purely and simply a private corporation organized for private gain. The gentleman knows that in Colorado and in his own State they have organized corporations out there that sell the water to the landowner, and when the landowner buys the land he does not get the water; and do you expect to help those people pay dividends on their bonds and stock to the exclusion of others? No one denies there is a vast difference between public and quasipublic districts and private districts and that the public districts should be taken care of first.

Mr. SAMUEL B. HILL. I am just trying to find out what the gentleman from Mississippi said.

Mr. DOXEY. I shall be glad to talk to the gentleman in private, but I do not think I have much time to talk to him right now on the floor of this House, for I certainly do not want to take up any other Member's time.

Mr. SAMUEL B. HILL. How about the reclamation districts; can they borrow money?

Mr. DOXEY. If they come within the Newlands Act as to their reclamation funds, they have \$5,000,000 extra or in addition to the \$50,000,000.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Speaker, I rise in opposition to the adoption of this conference report.

In the State of Nevada there is the Newlands irrigation project operating under the laws of the State of Nevada and under contract with the Federal Government. It is an irrigation district that has been in existence for 25 years.

The Senate provided in its amendment for the right for them to borrow money from the Reconstruction Finance Corporation for operation and maintenance expenses. The conference committee, without any consideration, apparently, of the facts involved, has stricken this needed provision from the bill.

The conference agreement eliminates the provisions of the bill relating to authorization of Reconstruction Finance Corporation loans to private corporations and to irrigation districts operating under contracts with the United States to aid in payment of their operating and maintenance charges and the installation of necessary works.

The conference agreement also eliminates the provision authorizing the Reconstruction Finance Corporation to accept from such districts the pledge of their outstanding evidences of indebtedness as security for loans.

In the practice of agriculture in the arid lands, there is the additional burden to be carried of a charge for operation and maintenance of irrigation works, which is not imposed upon the man who wrests his livelihood from the soil in regions favored with ample rainfall. In the intermountain regions of the far West there are thousands in the

same dire distress as are the farmers of the Middle West, the South, and the East.

The principle of extending relief to those operating in irrigation districts was sanctioned by the White House, after a favorable report from the Reconstruction Finance Corporation.

This conference report unfairly and unjustly eliminates the only provisions in the bill which are of material benefit to the majority of those struggling to maintain their existence on the irrigation projects in the intermountain area.

Authorization for their relief was placed in the amended bill by vote of the United States Senate after a careful investigation into the obvious merits of the proposal.

To the best of my knowledge and belief the House conference committee eliminated the authorization without hearing from a single representative from the area affected. Their action constitutes a gross discrimination against the farmers of every arid-land State. Under the rules adopted by the House to govern the consideration of this bill, we are not permitted to vote on the merits of the individual amendments or eliminations. We, therefore, have no other recourse except to ask all interested in fair play for the arid-land States of the West to vote against adoption of the conference report.

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, under the provisions of the conference report on this bill the agreement eliminates the provisions relating to loans to private corporations and to irrigation districts operating under contracts with the United States to aid in the payment of their operating and maintenance charges and the installation of necessary works. The provisions relating to the inclusion of dams, reservoirs, and electric-power projects in the case of irrigation systems are also eliminated and the projects of borrowers which are eligible for loans are limited to those projects which have been completed prior to the date of enactment of the act.

Mr. Speaker, I should like to point out the injustice of this discrimination in excluding from the provisions of this bill the opportunity of borrowing from the Reconstruction Finance Corporation this class of citizens who have pioneered in the West and by their own initiative have reclaimed vast tracts of arid lands. These citizens who have pioneered in these irrigation districts, developed them with their own capital, and by their own initiative, have organized private corporations, have issued bonds to finance the development of these projects. They now need refinancing and they are prohibited under the operation of this report from securing money from the Reconstruction Finance Corporation.

Mr. Speaker, let me say that no finer and more substantial farming communities can be found anywhere than those in the districts which come under the classification excluded from the provisions of this bill. What must these people who are about to lose their farms think, when they see the Reconstruction Finance Corporation money used to pull weeds along the road and bury rocks along the western highways, as I have seen, using hand work?

Mr. Speaker, why in Spokane, in the State of Washington, they are using the Reconstruction Finance Corporation money to construct golf links. We are here denying these people, who are pioneers, who cooperated to develop some of the best farming districts in the State of Idaho, from an opportunity to borrow money to protect their farms in these the darkest hours of distress.

Mr. Speaker, we should reimburse the provision that was put in the bill in the Senate making the funds of the Reconstruction Finance Corporation available to these people who have established their homes there.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. WHITTINGTON. Are not the funds to the extent of \$50,000,000 available to all irrigation districts organized under the laws of the State?

Mr. WHITE. To Government-owned districts.

Mr. WHITTINGTON. Under the conference report your State has the same right to borrow money for irrigation

districts organized under the law of the State as every other State has for drainage, and so forth.

Mr. WHITE. A good many districts are organized under the Cary Act and would not come under the provisions of this bill.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, in view of the statements made by the preceding speaker and others as to the changes made in section 36, I think it might be well to point out that this is not primarily a bill to enlarge the lending powers of the Reconstruction Finance Corporation. This is a bill for the relief of farm-mortgage indebtedness. The only reason for including any provision for refinancing the indebtedness of drainage and irrigation districts is to enable landowners in those districts to take advantage of the provisions relating to the refinancing of farm mortgages.

These landowners in many cases are not in a position to refinance their farm-mortgage indebtedness because of the fact that the drainage-district indebtedness and assessments made thereunder are prior liens on the land. Consequently, unless some relief is to be afforded by refinancing the drainage- and irrigation-district indebtedness, there is no opportunity for farmers owning land to get the benefit of the mortgage provisions of the act.

Now, that is the only reason, as I understand it, and the only justification for putting these provisions in the measure, which was designed primarily to relieve farm-mortgage indebtedness.

The amount is limited to \$50,000,000. I am told by those acquainted with the facts that this will not be sufficient to entirely take care of the situation which it is sought to remedy. In view of this fact, it would seem to me improper and unfair to extend the provisions of the section to include private irrigation corporations and to provide for the financing of irrigation enterprises not yet completed.

If these are meritorious cases, let us in some other proper legislation enlarge the loaning power of the Reconstruction Finance Corporation to take care of them. But I do not believe they properly come within the provisions of an act of this kind.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HOPE. Yes.

Mr. WHITTINGTON. Is it not true the conference report retains the provision in the House bill for refunding the distressed districts, and is it not true that the Senate amendment would extend it and bring in other loans?

Mr. HOPE. That is true.

Mr. WHITTINGTON. And would defeat the purpose of the original provision?

Mr. HOPE. I think it would at least very materially affect the matter and probably defeat the original purpose of the act. I yield back the remainder of my time.

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Speaker, I requested the chairman of the committee to yield for a moment to a statement and a question. I come from a district which raises cigar leaf tobacco. We have been gradually but surely losing our entire industry, primarily due to the fact that in this country we do not protect the cigar leaf tobacco grower from the invasion of some 6,000,000 pounds per year of tobacco from Java and Sumatra that are raised by conscript labor at from 12 cents to 15 cents a day. Under this measure before us we have no relief from that kind of competition. Besides, the tobacco raised in Sumatra and Java will wrap three times as many cigars as that raised in my district and in other districts throughout the country. I should like to know from the chairman what this bill offers to my people and to others who grow this kind of tobacco.

Mr. JONES. Mr. Speaker, I appreciate the circumstances which the gentleman details, but as a matter of fact to do what he suggests would require our invading the province of another committee, the Committee on Ways and Means. The effort in this bill is simply to levy sufficient tax on the

competing product to leave the basic products on the same comparative and competitive level that they are today. In other words, we endeavor to avoid placing the foreign product in a favored position. To do more than this is a question within the jurisdiction of the Ways and Means Committee. The conferees felt that would open up a wide tariff field.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, as we all know, title II of the present conference bill covers the same ground as the House bill 4795, which was passed by the House substantially as introduced by the Chairman of the Agriculture Committee on April 10.

I think it is fair to say that the Agriculture Committee considered this legislation with some degree of honesty and intelligence. Among other things, when it passed the House, the bill provided, and it now provides, that loans shall be made by the Reconstruction Finance Corporation to drainage and irrigation and similar districts for the purpose of enabling them to refinance outstanding indebtedness. Capitalists had invested in these districts and many people thought that such districts should be enabled to refinance their outstanding bonds and debts so as to take care of the investors. So the Reconstruction Finance Corporation is to make loans to these drainage and irrigation districts and refunding bonds are to be issued by them. Now, the payment of these refunding bonds is by this bill made a lien on all of the property within the circumference of the whole district. It was pointed out in the committee that this provision might work great injustice in certain cases. For example, a farmer may have paid his assessment in full, but his neighbor may not have paid it. I did not think it was equitable to impose the obligation of paying these refunding bonds as a lien upon the land of the farmer who had actually paid his assessment. That might make the investment safer to the bondholder, but it would do wrong to the farmer. Again, Farmer A might have a piece of land which had a small assessment against it, while the land of Farmer B might have a large assessment against it because B's land was benefited by the improvement in a much greater degree. It seems unfair to impose a lien upon A's land for the payment of the refunding obligation in the same degree and to the same extent as B's land.

I pointed out that the land of Farmer A should be protected by proper language, so that a lien would not be imposed against it in the same degree and to the same extent as Farmer B's land had. Therefore, when the bill left the House it contained provisions that this act should not be construed so as to make any land subject to a lien for the payment of a greater proportion of the indebtedness of the district than such land is subject to under existing law. These provisions were enacted by the House. Assessments and liens upon any particular lands for refinancing the bonds of these districts should always be in the same proportion as they are under the present law.

This matter was put into the bill in the House committee by specific and certain amendments, and the idea should have been preserved in conference. Under the changes now sent over here by the Senate and agreed to by the conference committee, the additional money that is to be borrowed in order to pay the old bondholders is made a lien on the whole district, notwithstanding that an individual farmer may have paid his assessment in full. It seems to me that anyone who believes in the virtue of the commandment "Thou shalt not steal" ought not to consent, except under compulsion, to a condition which will make such a farmer pay new and increased and additional sums of money, and sums wholly out of proportion to his benefits. If he has already paid his assessment, he ought to go free. Or, in the case of one whose assessments are small in proportion to the assessments of other landholders, it is again true that the owner of the land having the small assessments should not be burdened with a lien for the payment of the big assessments imposed on other land in the district. This

change should not have been made by the Senate, and it should never have been consented to by the conferees.

Mr. DOXEY. The gentleman must realize that on the doctrine of the "last faithful acre", in the case now before the Supreme Court, this language means nothing, and that we could not possibly pass a law that would affect contracts heretofore entered into.

Mr. GILCHRIST. There is not a thing in the House bill that would do away with the doctrine of the "last faithful acre," provided the Supreme Court upholds it, which it may never do. If it upholds it, then it is the present law, and the amendment put in by the House committee simply said that these assessments should be in proportion to those existing under the present law. We did not try, as the gentlemen well know, to affect existing contracts in the least particular. Our amendment carefully preserved every obligation contained in any existing contract.

Mr. JONES. Mr. Speaker, on that subject the Senate took the position that this would be accomplished anyway, and that the amendment was surplusage, as is shown by their discussion, and that no act could require a greater burden than that provided by the State law.

Mr. GILCHRIST. As a matter of fact, the language of the House bill is necessary. The present conference bill provides that the payment of the new refunding bonds shall constitute a lien and a charge upon the lands in the whole district without regard to the equities existing in favor of particular lands and those existing as between and among particular lands. If the agents of any drainage or irrigation district have any power whatsoever to act under our law, then they will be bound by the provisions of our law. If the statute of the State enables them to proceed, or clothes them with authority to proceed, under this new Federal law, in order to gain the benefits conferred by it, then they will be bound by the provisions and terms of that same new Federal law however unjust they may be.

If the Senate's position is that the language is not necessary, then what harm can be done by incorporating this language in the bill just as the House Agricultural Committee did? What harm can be done by making it clear? Every statute should be clear and perspicuous. What reason can anyone offer against making this language certain and definite? Has anybody any reason against clearing up an ambiguity, granting that it is ambiguity only, except the reason that the authors or framers might have flowing out of the pride which they may have in their own language and in their own sense of infallibility?

Mr. JONES. I do not know that any great harm could be done except that it would require this to go back to conference, and it would take several days. If this is important, a correction can be made later. I am sure that from what various people have told me that the gentleman need have no fear on the subject. I do not think it is of sufficient importance to go back to conference and throw this whole bill into a further conference.

Mr. GILCHRIST. I certainly do have fear on the subject, especially as applied to the Iowa situation, with which I am somewhat familiar. I still am of the opinion that those who believe in the doctrine of "Thou shalt not steal" ought not to force that kind of liens and assessments on lands in Iowa, even though they do own bonds that they desire to collect.

Here again we are not allowed to amend or divide the question. It is another instance of voting either "yes" or "no" upon this whole report. I want to see the bill enacted. I am for the bill, but I am against all gag rules and against regulations which prevent us from offering amendments and thereby preventing injustice.

Mr. JONES. If any injustice is done in the gentleman's State, as far as it is within the possibilities for me to do so, I shall assist him in an effort to have it corrected.

I yield 2 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON of Texas. Mr. Speaker, I have just been able in the last few minutes to see a copy of the conference report, but if I understand it correctly, private corporations

organized for drainage, levee, and irrigation purposes are going to find that they are discriminated against, or perhaps given no relief at all.

Mr. MARTIN of Colorado. We are cut out altogether. We are not discriminated against.

Mr. THOMASON of Texas. You are cut down to \$5,000,000. I have a large Government project in my district that will not suffer, but there are many private districts that are just as eligible for getting loans from the Reconstruction Finance Corporation as Government projects. If they are eligible, they ought not be put over into the \$5,000,000 class, because \$5,000,000, spread out to every levee, irrigation, and drainage district now in need would amount to nothing.

Mr. DOXEY. What is the gentleman's idea about a private district? There are districts here that are classed as private. Anything of a public nature, organized under the law, is public. Anything organized by a stock company is a private corporation.

Mr. THOMASON of Texas. All I know is that this section of the bill refers only to private corporations and is not broad enough. If a private irrigation project can furnish adequate security, I take the position it is as much entitled to its pro-rata share of that \$50,000,000 as of the \$5,000,000 if it is meant to relieve conditions in certain districts of the country. I think, as the gentleman from Colorado [Mr. MARTIN] said, that is not only a discrimination but it is practically ruination to private projects. We ought to concur in the Senate amendment and take care of deserving private irrigation districts.

Mr. JONES. Mr. Speaker, I want to say with reference to this irrigation section, there was some question in the committees of both the House and Senate, as to whether any such project should come in at all, and the only theory on which it is included at all is that it enables some of the actual farmers who reside in those districts to take advantage of the other features of the bill.

If you went further and permitted, as the Senate amendment does, the work of using the funds to complete the projects, to install machinery, and so forth, you would have the peculiar condition of a bill with one feature of it trying to solve the surplus problem and another feature of it aggravating that surplus problem. The only theory on which the \$55,000,000 was included was so that the actual farmers who live within the confines of those districts might be able, by refinancing that feature of it, to secure direct loans or direct refinancing of their loans.

Mr. SAMUEL B. HILL. Is the \$50,000,000 still in the bill?

Mr. JONES. Oh, yes.

Mr. SAMUEL B. HILL. And the \$5,000,000 additional?

Mr. JONES. Yes. I think the gentleman from Washington and his colleagues have done a great deal and accomplished much in being able to secure the inclusion of such an item in a mortgage bill. That money is not for the purpose of directly refinancing mortgages, and I congratulate them on their accomplishments.

Mr. EDMONDS. Will the gentleman yield?

Mr. JONES. I yield.

Mr. EDMONDS. Is the \$5,000,000 to be loaned to the reclamation fund intact as it left our committee?

Mr. JONES. Yes.

Mr. LOZIER. Will the gentleman yield?

Mr. JONES. I yield.

Mr. LOZIER. Is it not true that if the number of beneficiaries under this provision is increased, as proposed in the Senate amendment, the fund would be spread out to such an extent as to render ineffective the aid intended for hundreds of drainage districts where investments have already been made and where many millions of dollars have been expended? The House measure and the conference report protects the districts heretofore established.

Mr. JONES. I understand that is a correct statement, and I thank the gentleman for his contribution.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will read the first amendment in disagreement.

The Clerk read as follows:

Amendment 83: Page 33 of the bill, insert:

"PART 3—COST OF PRODUCTION

"Sec. 20. (a) The Secretary of Agriculture, in addition to the powers granted by parts 1 and 2 of this title is hereby authorized, with respect to any basic agricultural commodity, to estimate as nearly as practicable and proclaim from time to time—

"(1) The percentage of the domestic production of the commodity, including carry-over stocks, for market during the next marketing period for the commodity, that will be needed for domestic consumption; and

"(2) The average domestic cost of production, including therein a reasonable profit, for the commodity.

"(b) After such date as shall be specified in the proclamation, it shall be unlawful for any person engaged in the business of buying and selling a commodity or commodities as a dealer therein to purchase any amount of the commodity from the producer or any association of producers at a price, for the domestic consumption percentage thereof, that is less than the proclaimed cost of production for the commodity. The remainder may be purchased at such price as is agreed to by the parties; and shall be segregated for export, or for processing for export, in accordance with regulations of the Secretary of Agriculture: *Provided*, That the Secretary of Agriculture in his proclamation may make such limitations and exceptions as to sales of the basic product as he may deem advisable in order to properly carry out the provisions of this section.

"(c) Any person violating the provisions of subsection (b) shall be subject to a penalty of not more than \$1,000 for each violation, which may be collected by appropriate action in a court of competent jurisdiction brought in the name of the Secretary of Agriculture.

"(d) The provisions of section 15 (d) and (e) shall apply with respect to commodities or products thereof competing with, and imported articles processed or manufactured wholly or in chief value from, any basic agricultural commodity for which the cost of production has been proclaimed under this section, to the same extent as such provisions apply with respect to commodities or products thereof competing with, or imported articles processed or manufactured wholly or in chief value from, any commodity for which a processing tax is in effect.

"(e) In order to carry out the provisions of this section the Secretary of Agriculture is authorized to license persons engaged in the business of purchasing from producers or associations of producers any basic agricultural commodity with respect to which the Secretary has proclaimed the cost of production. Such licenses shall be subject to such terms and conditions as may be necessary effectively to execute the provisions of this section. Any person so engaged without a license as required by the Secretary under this section shall be subject to a fine of not more than \$1,000 for each day the violation continues. The Secretary may suspend or revoke any such license, after due notice and opportunity for hearing, for any violation of this section or of the terms or conditions of the license."

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes in order to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CLARKE of New York. Reserving the right to object, let us proceed and get this cleaned up.

Mr. RICH. Mr. Speaker, I object.

Mr. JONES. Mr. Speaker, I move that the House further insist on its disagreement to amendment no. 83.

Mr. McKEOWN. Mr. Speaker, I offer a motion to concur, with an amendment.

The SPEAKER. The Clerk will report the motion offered by the gentleman from Oklahoma.

The Clerk read as follows:

Mr. McKEOWN moves to concur in Senate amendment no. 83 with the following amendment: "Strike out clause 2 of paragraph (a) and insert the following: 'the price to be paid for the commodity fixed at the fair exchange value of the commodity.'"

"In paragraph (b), line 19, strike out the words 'cost of production' and insert 'price to be paid.'"

"In paragraph (d), line 13, strike out 'cost of production' and insert 'price to be paid.'"

Mr. BOILEAU. Mr. Speaker, I desire to offer a preferential motion.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I move to recede and concur in the Senate amendment.

Mr. JONES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES. Which is the preferential motion that may be made, of the two that have been offered?

The SPEAKER. The motion to recede and concur takes precedence over the other.

Mr. JONES. And unless I yield for the other motion, it cannot be made?

The SPEAKER. It cannot.

Mr. JONES. I think there should only be one motion, and I wish the gentlemen would agree on which motion they will present.

Mr. DOWELL. Mr. Speaker, the preferential motion should have the floor in any event without preference.

Mr. JONES. No; it would not have the floor. A preferential motion can be made and be pending, but, as I understand, the maker of the original motion has the floor.

The SPEAKER. The gentleman from Texas is correct.

Mr. DOWELL. But a preferential motion has been made, and it has preference.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to withdraw the motion which I made.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. McKeown]?

There was no objection.

Mr. JONES. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. CLARKE], with the privilege to him of reyielding to other Members on that side.

Mr. CLARKE of New York. That is agreeable, Mr. Speaker.

Mr. JONES. Mr. Speaker, the administration is opposed to this amendment. They regard it as impractical and unworkable. I wish to read a statement by the Department of Agriculture, the Department which will have charge of the administration of this act. The statement reads as follows:

The Department of Agriculture is vigorously opposed to the amendment. It believes that the amendment is economically unsound and would, if placed in effect, depress rather than increase farm prices. In the absence of any legislative standard for determining costs of production it would be impossible to arrive at such cost on any definite basis.

The cost of production figures of the Department are now less than the parity prices or fair exchange value provided in the bill.

If any attempt were made to fix prices by enforcing a cost-of-production price that did not have due regard for the purchasing power of the consumer and other economic considerations, the commodity would back up on the farm, extensive bootlegging would result, and innumerable fines be imposed if any real attempt at enforcement were made.

It is believed that the operation of the amendment would seriously impair the farm-relief program. The presence of the amendment in the bill would raise expectation for higher farm prices than can possibly be obtained in view of the unworkable and unsound character of the amendment, and will endanger the securing of cooperation in certain farm regions for other features of the bill which hold promise of effective and sound relief.

The measure, which will be administered by the Department of Agriculture, is important and far-reaching. It will involve difficulties. The ones who will administer it will have a very great task to work it out properly. We all hope that they may work it out with good effect. I do not think they should be hampered in any way, and they regard this amendment as having that effect.

Inasmuch as they are so vigorously opposed to it, I believe it would be better if we permitted them to have the legislation for the present at least in the form in which they desire it.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker—

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. BLANCHARD. Can the gentleman state whether it is purely optional with the Department to put this into effect?

Mr. BOILEAU. It is.

Mr. Speaker, I want to urge favorable consideration of this so-called "cost-of-production amendment", because, in my opinion, it is the most satisfactory method that could possibly be conceived for the purpose of raising farm-commodity prices to a decent level.

The so-called "domestic-allotment plan" imposes a tax upon the processing of the commodity, and then, with a

great many administrative technicalities, this processing tax is paid back to the farmer. So in this way he gets a fair price for his commodity.

The so-called "Simpson-Norris plan" of cost and production is very simple in its operation. It merely provides that the Secretary of Agriculture shall determine what is the average cost of production of the various commodities, including reasonable profit; that after this declaration has been made it shall be unlawful for anybody to pay the producer of farm commodities a price lower than the established average cost of production. It does away with all the technical administrative provisions. It gets right down to the bottom of the problem and says that the farmer shall be paid by the buyer of the commodity a price that is equivalent to the average cost of production plus a reasonable profit. I do not believe there is a man or woman in this House who believes the farmer is not entitled to the cost of production and a reasonable profit for his produce.

Part 2 of title I of this bill, which is the commodity-benefits provision, provides for the domestic-allotment plan including the processing tax, and has as its purpose the raising of prices of farm commodities. The distinguished chairman of the Agricultural Committee read a letter from the Department of Agriculture, in which the Department of Agriculture stated that it did not know the cost of production, yet they assert in the same letter that the cost of production is lower than the parity price that is provided for in the bill. I submit that it is just as easy to establish the average cost of production as it is to determine the parity price of farm commodities today with what they were in the pre-war period. [Applause.]

Let us get down to brass tacks. Let us not try to fool the farmers of this country. If we are willing to give them cost of production plus a reasonable profit, then let us vote to recede in our position and concur in the Senate amendment which will give them cost of production and a fair profit. The farmers are entitled to that much and no less.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Illinois.

Mr. ARNOLD. Is not the cost of production a variable quantity which varies according to the section of the country, the quality of the soil and the efficiency of cultivation methods used by farmers?

Mr. BOILEAU. Yes, it will vary; and I may say to you that the parity price is going to vary, because in figuring the parity price you will have to figure the present value of commodities and the value of commodities in 1909 to 1914, and we must also consider the value of the farmer's dollar at that time and the value of his dollar now which will also vary; and just as soon as we start expanding the currency, that price is going to vary and the cost of production is going to vary.

It is just as easy to determine what is the cost of production as it is to determine the parity price. The farmers want this provision, so let us for once give them something they want and something they can benefit from.

Mr. ARNOLD. Will not the cost of production vary in the same neighborhood and on adjoining farms?

Mr. BOILEAU. Just the same as the parity price. The average cost of production is going to be determined on a commodity over a certain wide locality which can be established very easily, and I submit that it is the fair way of determining at what figure we should fix the prices of farm commodities.

Mr. KVALE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. KVALE. Will the gentleman state whether the cost-of-production amendment is optional or mandatory?

Mr. BOILEAU. It is optional, the same as the other provisions of the bill. The Secretary of Agriculture does not have to use it unless he wants to; but I want to predict now that if we vote to retain this provision, it will not be more than 60 or 90 days before the Secretary of Agriculture will be mighty glad that he has a chance to use the cost-of-production plan, and that he will use it.

Mr. McFARLANE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Texas.

Mr. McFARLANE. Did we not use this same plan in this same bill in working out our inflation provision, which provided for 3 or 4 different alternatives?

Mr. BOILEAU. Yes.

Mr. McFARLANE. Then why not use the same plan for the benefit of the farmers?

Mr. BOILEAU. The gentleman's statement is exactly correct, and I thank him for his contribution.

Mr. DOWELL. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Iowa.

Mr. DOWELL. Is there any question but what this amendment, if put in operation, will raise the price of farm commodities?

Mr. BOILEAU. It certainly will; and the Secretary of Agriculture will have to ascertain what is the average cost of production, including a reasonable profit, and from that time on it will be unlawful for any purchaser to pay less than the established cost of production on that part of the produce that is used in the domestic market. [Applause.]

The SPEAKER pro tempore (Mr. DICKSTEIN). The time of the gentleman from Wisconsin has expired.

Mr. JONES. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Speaker, in answer to my good friend Mr. BOILEAU, of Wisconsin, who has just preceded me and who advocates this price-fixing proposal, I want to say to you that in this brief time let us consider in a cool, calm, deliberate way the provisions of this price-fixing feature. When I was selected as one of the five conferees to represent this branch of the greatest law making body in the world in the consideration with the six Senate conferees of a combined piece of legislation as far-reaching and important as any ever considered by any Congress in the history of our great country, I was deeply grateful for the honor and felt most keenly the grave responsibility resting upon me.

We were appointed Wednesday afternoon and went to work in conference Thursday morning, and today there is before this House the results of our labors evidenced by this conference report accompanying H.R. 3835, upon which you are to vote within the hour.

You full well realize that it will be impossible to even mention, and certainly not discuss, within the limited time the 82 amendments upon which we have agreed.

It goes without saying that all of you are interested, and many are more concerned with our conclusions respecting some of these amendments than with others. Some are of more general and vital importance than others, but to say the least of it your conferees did the best they could, and in the many instances where we receded and agreed it was with amendments adopted by the conference that substantially strengthened the bill in our judgment. You know in order to complete this stupendous task it was a proposition of give and take. Permit me to say that all the gentlemen composing the conference freely and fully gave of their time and talents to the questions involved and certainly had their hearts as well as heads in the work. The results accomplished are before you for your approval or disapproval.

As one of the managers on the part of the House at this conference on the disagreeing votes of the two Houses on the amendments of the Senate—nos. 1 to 84—to the bill H.R. 3835, to relieve the existing national economic emergency by increasing agricultural purchasing power, I, in each and every instance, tried to represent you and the will of this House as best I could under the existing circumstances. You are now to pass judgment for our acts as evidenced by this submitted conference report.

This report shows the committee of conference agreed upon 82 amendments but were unable to agree on the amendment designated as no. 83, known in the bill as part 3, cost of production, generally referred to as the Norris proposal.

Your conferees were and are against this amendment. The Senate conferees are for it. We were unable to reach any compromise, so the conference report shows the committee of conference have not agreed on this amendment no. 83, which is the "price-fixing amendment."

In the limited time that we have for discussion of this report, it is my purpose not to discuss any other amendment here, as I discussed on the floor of this House a short time ago some of the agreements and conclusions reached in conference, but to briefly consider with you this particular amendment, no. 83, and give you at least some of my reasons for being against it in its present form.

In the first place this House has never had an opportunity to express itself concerning it. I know personally some of you are for it and some are against it. I assure you here and now that regardless of my personal views, as one of your conferees, if it is the will of this House expressed by a majority vote that this amendment be agreed to, as your representative I will vote to permit it to be retained in the bill. This cost-of-production section, 20, was not a part of the measure as it passed this body. It was added to the bill in the Senate, so when the measure as passed by the Senate was referred to conference, your conferees, as far as any vote of this House is concerned, had no instructions.

In taking the position I have on this "price-fixing" proposal as passed by the Senate, I have expressed my personal views and not until this body votes will I know the wishes of the majority of this House on this proposition.

Permit me to give you some of the provisions of this amendment and discuss with you some of its consequences, as I view it, if it is enacted into law as a part of this measure as it is now written.

This amendment simply means that the Secretary of Agriculture is authorized with respect to the basic agricultural commodities to estimate and proclaim from time to time (1) the percentage of the production of the commodity that will be needed for domestic consumption; (2) the average domestic cost of production, including therein a reasonable profit, for the commodity.

After the cost-of-production feature it is further provided in the price-fixing proposal that it shall be unlawful for any person engaged in the business of buying and selling any commodity or commodities as a dealer to purchase or sell any amount of the commodity or commodities so purchased from the producer at a price for the domestic-consumption percentage thereof that is less than the cost-of-production price for the commodity estimated and proclaimed by the Secretary of Agriculture.

That portion of the commodity not used for domestic consumption is not regulated by this price-fixing amendment.

The remaining sections of the amendment referred to provide penalties first for the people violating the provisions of this amendment who are engaged in the business of buying and selling the commodities as dealers who purchase the commodities from the producers. There is also a penalty for anyone purchasing commodities, regardless from whom they are purchased, at a price less than the cost-of-production price plus a reasonable profit on the investment as determined and proclaimed by the Secretary of Agriculture.

The other provisions of the amendment are of no great consequence with the exception that they do apply with respect to commodities or products thereof competing with any of the basic agricultural commodities for which a cost-of-production has been proclaimed under this section, with limitations as therein set out.

This cost-of-production proposal, known as amendment no. 83, just simply means that the Secretary of Agriculture, on all domestic-consumption basic agricultural products, has the right to fix the cost-of-production price for same and add a reasonable profit, all of which will necessarily have to be an estimate, because, on account of the very nature of things, we all know that you cannot get a result that is mathematically correct in perhaps any individual case; the cost of production in one case is different from the cost of production in another and very greatly depends on many

intervening circumstances and conditions. Yet the consuming public will have to pay the price so arbitrarily fixed or violate the law and subject themselves to be punished under the terms thereof.

The Members of this House, every one of you, have given to some extent more or less thought and consideration to this subject. Many of you are personally and vitally interested and have firm and fixed convictions after due deliberation and careful consideration of the questions involved in this amendment.

Those of you who from actual knowledge and practical experience can and are able to visualize the workings of this amendment, should it be put into operation, I feel will agree with me that it would bring about complications and complexities that would be so far-reaching that none of us would dare prophesy at this time the extent thereof. It would create administrative difficulties that would be almost impossible to meet; it would necessarily require the fixing of prices for different grades, types, and character of the same commodity. We all agree that this is so with reference to cotton, tobacco, wheat, and, in fact, every commodity that is listed as a basic agricultural commodity.

What we are endeavoring to do by this omnibus farm bill is to help the producer and endeavor to raise farm values and commodity prices in an effort to put agriculture on a basis that will enable the farmer to buy the manufacturer's goods and pay off his financial obligations, as you know this omnibus farm bill includes what is known as "the Smith plan" and the so-called "domestic-allotment plan", both of which are designed to help distressed agriculture in this emergency.

We know that the Secretary of Agriculture has expressed himself as being ready, able, anxious, and willing to set the administrative machinery in motion with respect to these plans just as soon as this measure is enacted into law. The success or failure of this measure is going to largely depend upon how this law is administered.

In addition to the farm-mortgage refinancing plan and the inflation amendment as carried in this bill, if the House recedes and concurs in this price-fixing Senate amendment, you will place in the hands of the Secretary of Agriculture not only powers, the ultimate results of which stagger you to contemplate, but the administration of which will require machinery entirely different and apart from that necessary to operate the other emergency features of this bill.

I know the Secretary of Agriculture, who has a firm and comprehensive grasp of the questions involved and the theories advanced, as well as a thorough working knowledge of the practical effects that will result not only to the producer but also to the consumer, is opposed to this price-fixing amendment. He realizes that the amendment is economically unsound and would, if placed in effect, depress rather than increase farm prices. In the absence of any legislative standard for determining cost-of-production, it would be impossible to arrive at such costs on any definite basis. The cost-of-production figures of the Department are now less than the parity price or fair-exchange value provided in the bill. If any attempt were made to fix prices by enforcing a cost-of-production price that did not have due regard for purchasing power of the consumer and other economic considerations, the commodity would back up on the farm. Extensive bootlegging would result and innumerable fines be imposed if any real attempt at enforcement were made. I believe that he feels the operation of the amendment would seriously impair the farm-relief program. The presence of the amendment in the bill will raise expectations for higher farm prices than can possibly be obtained in view of the unworkable and unsound character of the amendment, and will endanger the securing of co-operation in certain farm regions for other features of the bill which hold promise of effective and sound relief.

Of course, I realize that there is in the minds of some of you the question that this cost-of-production plan is optional and that the Secretary of Agriculture does not have to put it into operation unless he wants to. To my mind,

the fact that it is put into the bill merely as an alternative for the Secretary of Agriculture to use at his discretion is sufficient argument against it here. Many things could and would be charged if he did not use it and if he did endeavor to put it into operation, here are just some of the practical situations that would result, as I see it. Let me give you a practical case by way of illustration. Take for instance that I am a producer of cotton and the Secretary of Agriculture, through the medium provided as to the amount of cotton domestically consumed, proclaims that it cost me to produce it, plus a fair profit on my investment, 10 cents per pound. That is the only cash crop I produce and I find myself with 20 bales of cotton but no money. It is necessary that I have cash either as an emergency to pay hospital bills or to pay taxes or what not. The cotton market is stagnant. No cotton is moving at the 10-cent figure, and hence I cannot sell it but one of your men come to me and you say, I will give you 9 cents a pound for your cotton. I want to sell at that price. You want to buy at that price, but under the law we cannot trade without violating the law and subjecting you to a penalty of a thousand dollars for each violation.

If you are a cotton dealer or buyer operating without a license you are subject to a fine of not more than \$1,000 for each day the violation continues.

Pursue the illustration further: Suppose you as a buyer paid me, the producer, the price for my cotton fixed by this law, and that then you got into serious financial difficulties and through necessity have to sell some of the cotton at a sacrifice price so as to raise some ready cash to meet a pressing emergency, and you find another cotton buyer or mill that will buy your cotton but at 1 cent per pound less than the fixed price, and you cannot find another purchaser for a better price and decide under the circumstances to sell even a part of the cotton you have on hand which will bring a sum even at the reduced price that will tide you over the emergency; you cannot sell and he cannot buy the cotton at the agreed reduced price without you both being subject to be penalized.

Will not this create a situation that will work untold hardships and encourage law violations? Will this not operate against the producer of the commodity as well as others, and disastrously affect the normal values of the commodity and restrain trade between parties? Will not the farmer's crop that he raises remain unsold and back up in the hands of the producer? What incentive or inducement is proposed by this amendment for the purchase of the farmer's crops he produces? Will not this operate as a hindrance rather than a help where the one wants to sell, the other wants to buy, but they cannot trade except at the fixed price unless they suffer the penalty imposed by this law?

To ask these questions are but to answer them. In my judgment, the difficulties and disasters incident to the passage of this law in its present form are manifold and far outweigh its advantages, especially as we have other emergency-relief measures already agreed upon in this bill by both the House and the Senate conferees and approved by this administration designed to bring immediate relief to distressed agriculture.

So, my friends, do not delay the passage of this bill any longer and kill its good effects and provisions by insisting on this one amendment which is laden and fraught with so many, many disastrous possibilities and destructive features.

During this limited debate here I have not referred to my views relating to the constitutionality of this price-fixing amendment, for I knew it would be impossible to discuss it here on the floor of this House, within the limited time allotted me, fully and logically. Suffice it to say that in the event this amendment was enacted into a law and a test case was made of it, I have grave doubts as to its constitutionality as it is here written.

So the question here presented to this House is, Will you or will you not include this price-fixing provision in this omnibus farm bill?

I believe and hope the majority will vote against it and approve the position taken by your conferees as you have heretofore done in regard to their acts concerning the balance of the conference report already submitted and approved.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON.]

Mr. LAMBERTSON. Mr. Speaker, I am for concurring in the amendment and keeping this cost-of-production provision in the bill. This is not opposition to Secretary Wallace. I am strong for him, and I think he is doing everything in his power to bring about better conditions.

I have a great deal of confidence in Mr. Peek. Seven years ago, on my first trip to Washington, I came as a member of the Committee of Twenty-two, sponsoring the McNary-Haugen bill, and he was chairman of the committee. The gentleman from Ohio [Mr. TRUAX] was also another member. I have confidence in Mr. Wilson, the probable administrator for wheat.

I am a member of the National Farmers' Union board, and if there is anything our organization ever stood for through these years it has been the cost of production. It was John Simpson who sold the idea to the Senate, where it was adopted.

When a group of us met with Secretary Wallace on the 10th of March, I advocated this plan and represented the farmers' union, but it was not agreed to.

It was later put in by the Senate. It was sold to the Senate on its merits. Nobody ordered the members of the Senate committee to vote for this thing. It was sold to them, and every farm-minded Member of that body voted for this cost-of-production amendment when presented on the floor of the Senate.

If it had not been put in in the Senate bill, it might receive different consideration.

It is only optional. What is the harm of leaving it in? The people have been sold on this thing. They were sold on the Frazier bill, but the Frazier bill is out. This is the only thing left. Let us leave it in. Let us leave something additional in that could be used if needed. We have granted wide powers to the President in many lines. If the other things do not work, they will need it, and if they do work, then they will have no use for it. I am appealing to you on both sides, you farm-minded Members, to leave this in the bill.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. CARPENTER of Kansas. Was not this what the farmers had in mind when they voted at the last election?

Mr. LAMBERTSON. It was guaranteed in the Democratic platform.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. MARTIN of Colorado. Would not all of the difficulties suggested by the Secretary of Agriculture about arriving at the cost of production have equally as much force in ascertaining the processor's tax? What would the difference be?

Mr. LAMBERTSON. I do not know.

Mr. MARTIN of Colorado. To my mind it would be the same thing. He could use all the arguments against the cost of processing that he used against the cost of production.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. CLARKE of New York. The gentleman says that this bill was practically declared for in the Democratic platform.

Mr. LAMBERTSON. Yes.

Mr. CLARKE of New York. If the Democrats repudiate this amendment, then they repudiate their platform.

Mr. LAMBERTSON. Absolutely. Now, you have a chance to stand by your platform. Do not desert it. I appeal to my new friends, Members on the Democratic side, to let this stay in the bill and stand by your platform. [Applause.]

[Here the gavel fell.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, we are told that the Secretary of Agriculture is opposed to this amendment—the Norris-Simpson amendment—giving to the farmer the cost of production and a reasonable profit for that part of his products that is used for domestic consumption. Let me ask, Who is making the laws of the United States of America? The Congress or the Secretary of Agriculture? Who is responsible to the farmers of this Nation for the enactment of real and not make-believe legislation? The farmers have been asking for justice, for equality, at the hands of Congress for years, but so far their demands have been ignored. So far Congress has done nothing real for the betterment of agriculture. We have raised high hopes and expectations, but have failed utterly to take steps to meet these hopes or expectations.

I am aware that the great majority of newly elected Members of both political parties are sincere and honestly wish to fulfill their campaign and platform pledges, but they are dominated by the conservative leadership of both political parties. These leaders can be depended upon to fight shoulder to shoulder on all occasions where real issues are at stake. I am conscious of the sham battles that have been put up on this floor on nonessentials for public consumption; but on every test that has been made on real issues the conservative Members of both parties have worked shoulder to shoulder.

There is not a Member in this House but knows that the vast majority of the people of this Nation favor the Norris-Simpson amendment—that the farmers almost unanimously demand it, and yet, in the face of that demand, this Congress is asked to take its orders from the new Secretary of Agriculture, who has been in office but 2 months and who is not a farmer but a newspaperman.

I gladly concede that the conservative Members of both parties are equally sincere and honest, but they forget that we are living in the twentieth century and that we have made great progress since the eleventh century, and that our whole system of government will be made responsive to the will of the people—and they forget that we are on our way.

This bill contains all of the agricultural relief before this Congress so far. It is all that some Members of Congress think is necessary to do. The farmers, however, think very little of this bill, and, in fact, are not satisfied with its provisions, save and except the Norris-Simpson amendment—the amendment that proposes to give them the cost of production for that part of their products consumed within the United States.

No intelligent or honest man or woman should expect to eat or use the farmer's commodities for less than it costs to produce them. No intelligent or honest man or woman does object—save and except the Secretary of Agriculture. He does not object to paying the cost of production but says he will be unable to figure out what the cost of production is.

I am very much afraid that the Secretary of Agriculture has not had time to become acquainted with all the subdivisions in the Department of Agriculture. If he had, he surely would have known that there is a division or bureau within the Department of Agriculture that has for years figured out and given out to the public the cost of production of the principal farm commodities.

As late as last January the Commissioner of Agriculture and Labor of the State of North Dakota, at Bismarck, asked and received from the then Secretary of Agriculture the average cost of production per bushel of wheat within the United States for the year 1932. That cost was \$1.01 per bushel for spring wheat and \$1.14 per bushel for winter wheat. That is what it cost to produce the average bushel of wheat for the year 1932, according to the then Secretary. The Secretary appointed by Mr. Hoover apparently knew that there was a bureau within the Department of Agriculture that knew how to figure out the cost of production. Surely our present Secretary, from whom so much is ex-

pected, will discover that there is a bureau within his Department that can figure out the average cost of production of the principal farm commodities. That has been done for years.

It has been stated here that the Democratic platform contained a plank guaranteeing to the farmers the cost of production. It makes very little difference to me whether some of your Democrats go back on your platform, or whether some of the Republicans do—that is all the same to me. We are not here legislating as Republicans, Democrats, or any other partisans; but we are here legislating for the good of the people of the United States, and I am talking to you as a nonpartisan—I am not concerned with either Democrats, Republicans, or any other partisans.

I am sure we all want to do something for the good of the people of this Nation—especially for the good of agriculture. The farmers of this Nation want this amendment. Why not give it to them? It is their amendment, put in by the Senate through the persuasive powers of John A. Simpson, the greatest farm leader of them all—a leader to whom over 85 percent of the farmers of this Nation are looking for guidance in this, their hour of distress. A leader with vision, courage, and determination, who is unafraid and never yet lost a battle. You may beat him in this skirmish because of the party lash, but I am afraid you will regret the day, because he is right and you are wrong—you know that the farmer is entitled to the cost of production for the things that you and I and others eat and wear.

When we pass laws for the railroads we listen to the railroadmen. When we pass laws concerning industry we listen to the industrialists. When we pass laws for banks we listen to bankers, but when we pass laws for agriculture we are asked to listen to a newspaperman and to follow his advice. Why not listen to the farmers? This legislation is intended to benefit them. They were promised farm relief, and they were promised that they would have something to say about it. Surely common decency, after all these years of waiting, would impel us to give to them this simple amendment, which makes it possible for them to get the cost of production for that part of their commodities consumed within the United States. Why should the Secretary of Agriculture object to this—anyway, whether he objects or not, the Congress is charged with the responsibility of making laws, not he.

The law of self-preservation—the law of last resort—is in operation. The Farmers Holiday Association has ordered a strike for the 13th of May. They have invited the unemployed to join them. If we will give to the farmers this amendment, we may avoid that strike. Let us not underestimate that strike. People who are losing their homes, whose families are in want, who feel that they have for years been shortchanged and fooled at the hands of the politicians in Congress, may do desperate things—they are in no mood to be trifled with. They expected much, and still expect much, from this new administration. Let us not disappoint them now, because if we do, we may find that this strike, called for the 13th of May, may shock this Nation from end to end.

Let us heed the danger signals. Let us avoid this strike if possible. The temper of the farmers has been shown, not only in the State of Iowa but in such other States as Minnesota, Montana, North Dakota, Wisconsin, and Nebraska. The truth is, that in some of these States serious trouble was avoided only because the Governors of those States had the courage and foresight to declare a moratorium on mortgage foreclosures. If the Governor of Iowa had used the same intelligence, courage, and determination, the judge in his State would not have been mobbed and taken out for a holiday ride. Only patience and wisdom on our part can stop the repetition of similar instances. Let us, at least in a small way, fulfill our campaign pledges to these people in desperation and want.

I campaigned for the national Democratic ticket in several States. I did it without consulting the Democratic Party leaders. I know that most of the Democratic speak-

ers gave the promise to the farmers of this Nation that their party would give to them at least the cost of production. That is how the Democratic platform was interpreted in my State. That is why I supported the national Democratic ticket—I supported it because I had great faith and confidence in the great human soul that was then Governor of the State of New York, and I still have that confidence now that he is President. I am confident that he will do something real for agriculture, which means something real for all the people.

Congress is charged with the responsibilities of making the laws of this Nation, and not the Secretary of Agriculture. If we permit him to write the laws in regard to agriculture, then the Secretary of the Navy will want to write them in regard to the Navy—the Secretary of War in regard to war—the Secretary of Commerce in regard to commerce. If we are willing that these secretaries should make these laws, then let us go home, because we are useless here. I am fully aware of the fact that the Chief Executive of this Nation should have something to say, and should direct the legislation that is passed, but I object to calling in all the little secretaries and have them tell Congress what laws it should pass for this Nation. [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. KVALE. Does the gentleman feel that if we adopt this amendment and the cost of production is included in this bill, it will go far toward averting the farmers' strike?

Mr. LEMKE. I agree with the gentleman. That is correct.

The SPEAKER pro tempore. The time of the gentleman from North Dakota [Mr. LEMKE] has expired.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Speaker, the argument against putting this provision in the bill has not a leg to stand on. In the first place, it is optional. In the second place, it is the most sensible way to deal with this question. It will cost less than any other provision. All the Secretary of Agriculture need do is find the cost of production and fix the price, and the amount or percentage of the product to be used domestically that will be sold for that price. In other words, if he finds that the cost of production and a reasonable profit on wheat is \$1.10 a bushel and he finds that five sixths of the wheat of the United States is used in domestic consumption, then what will happen? The farmer will haul 1,200 bushels of wheat to the elevator and the elevator-owner must, under this provision, pay the farmer \$1.10 for 1,000 bushels, and he can pay the farmer whatever they agree on for the 200 bushels. The farmer gets his money at the elevator and goes on home happy.

The other provision provides that we must levy taxes. Not only that, it must be paid back to the farmer, and it goes all the way around. This is a simple and straightforward measure. If you put this provision into effect it will open the doors of the banks for \$6,000,000,000 of credit in this country. All you have to do is to give us a chance with this bill. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oklahoma [Mr. McKEOWN] has expired.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Speaker, this amendment does not provide that the farmers shall receive only the cost of production, but it provides that they shall receive a price not less than the cost of production. If the market price is more, then they will receive that price for their products.

Some time ago we heard much about the Democratic platform, in which I believe. The national Democratic platform provides that "we favor the enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost." This provision of the platform does not say cost of production but "prices in excess of cost." Speaking of platforms, why not comply with that provision now?

I have seen nothing to indicate that the President of the United States is opposed to this amendment. I know the Secretary of Agriculture is opposed to it. They say that he is a Republican. [Laughter.] I am opposed to a Republican telling a Democratic House how it shall legislate. [Laughter and applause.]

The three great national farm organizations in January 1932 endorsed the provisions of this amendment. The National Grange, the National Farmers Union, and the American Farm Bureau Federation all endorsed it. They said, with other recommendations, "nothing less is a remedy for the agricultural-marketing problem." These representatives should know the farm problem as well as any Secretary of Agriculture.

Every time a farm bill is before this House somebody raises the question that either it is unconstitutional or unworkable; but nobody who has argued against this amendment has stated why it would not work. It will require no more money. The Department of Agriculture every year makes an estimate of the cost of production of the leading farm crops and also the amount of the surplus. They already have that information. Regardless of whether the Secretary of Agriculture says they do it by statute or not, they do it. He says the cost of production is now less than shown in the bill, but it was not less in 1931. If this provision had been the law during that year, the farmer, instead of getting 20 cents a bushel for his wheat, would have gotten \$1.09; he would have gotten 16 cents a pound for his cotton, 89 cents a bushel for his corn, and 54 cents a bushel for his oats. I hope the amendment will be agreed to. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oklahoma [Mr. SWANK] has expired.

Mr. CLARKE of New York. I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I am in entire sympathy with what has been said by the proponents of this amendment as to their desire to increase prices and give the farmer his cost of production. There cannot be any difference of opinion among any of us on that. The farmer is entitled to a price above his cost of production, but I do not see anything in this amendment which will insure any farmer in this country that he will get his cost of production.

In the first place, the amendment is entirely optional. The Secretary of Agriculture is vigorously opposed to it. He believes that it is economically unsound, and that if placed in effect it will depress rather than increase prices. Therefore we know that the Secretary will not use it if this power is granted to him. Now, no matter how strongly the proponents of this amendment may feel that it will give the farmer his cost of production if placed in effect, even they must agree nothing can be accomplished if the power is not used. In the second place, I do not believe there is any lawyer on the floor of this House or elsewhere who would contend for a moment that this provision is constitutional. I do not have time to discuss the constitutional phases of the matter, but as far as I have been able to learn, it has never been contended by any of the proponents of this amendment that there is any power in the Constitution, either express or implied, which would give Congress authority to pass legislation of this kind. Why waste our time passing legislation which admittedly would be declared invalid the first time it is questioned in the courts. Are we helping the farmer any in doing so?

In the third place, if we were to assume that the amendment is constitutional and that it would be put into effect by the Secretary of Agriculture, there is nothing in it to give the individual farmer his cost of production. This amendment says that the price shall be fixed upon the average cost of production.

Now, assuming there are as many farmers whose cost is above the average as there are farmers whose cost is below the average, you could not possibly give more than half the farmers cost of production, and to this extent you are, of course, merely trying to fool the farmer when you say to him you have passed legislation which will give him his cost of production. We all know the great variance in produc-

tion costs even in the same locality and in the same crop season. We know the wide difference in the cost of producing wheat in Kansas and, say, in Michigan, and the difference in production costs on cotton between various States and even in different sections of the same State. This all makes it very obvious that there is no way under this amendment or anything similar that all farmers can be assured their cost of production.

In the fourth place, let us not forget that the figures of the Department, and these are the figures that would have to be used if this amendment were adopted and put into effect, show that the present cost of production of the principal agricultural commodities is less than the parity price.

For instance, the figures of the Department of Agriculture show the average cost of production for cotton to be 8 cents a pound, yet today cotton is selling at 8 cents a pound. The Department's figures show that the average cost of production for wheat is 60 cents a bushel, and today out in Kansas at country elevators wheat is being bought at 60 cents per bushel.

So if this amendment were adopted and the Secretary should use it, these two crops will derive no benefit. While I do not have definite figures, I understand the same is true as to at least some other crops, and in practically every case the parity price which the Secretary wishes to put into effect is considerably higher than the Department's figures as to cost of production.

Let me call attention to another thing, and this is of especial interest to those interested in cotton. We have on hand in the country today 13,000,000 bales of cotton, more than a year's supply. Is the spinner, the warehouseman, or the broker who owns this cotton going to buy the farmer's new crop of cotton at some price to be fixed by the Secretary of Agriculture when they have all this cotton on hand in the warehouses? Why, certainly not. So this year, at least, the cotton farmer will not have any market if you put into effect a proposition of this kind.

The same situation is true with respect to wheat, because there are now in the mills and elevators, in storage, and out of the farmers' hands in this country 190,000,000 bushels of wheat. There is estimated to be 178,000,000 bushels of wheat still in the farmers' hands. The domestic consumption of wheat for food purposes in this country is about 500,000,000 bushels annually. Therefore this means that this year we will have a market for only a little over 300,000,000 bushels of wheat if this amendment is adopted and put into effect. The farmer already has 178,000,000 bushels on hand, so of his new crop he could sell less than 150,000,000 bushels at the fixed price. What he will do with the rest I leave for the proponents of this legislation to figure out.

I have not yet seen a person who could tell me how this amendment would apply to the hog-producer. How are you going to fix a price for hogs based on cost of production when there are a dozen different classes of hogs, so far as marketing is concerned? What is the difference in the production cost of a packer sow as compared with fancy butcher stock?

[Here the gavel fell.]

Mr. CLARKE of New York. Mr. Speaker, I yield 1 additional minute to the gentleman from Kansas.

Mr. HOPE. Mr. Speaker, to conclude, I think all of us are in agreement that we want this farm bill to work; we want the Secretary of Agriculture to succeed under its provisions in bringing about higher prices for agricultural products; and we know he has a hard job ahead of him. If he succeeds, he is going to need the cooperation and support of all the farmers in the country. If we include too many different plans in the measure, there is more likely to be a difference of opinion among the farmers as to which method should be used. It is true that under the original bill the Secretary has the option of using different methods, but they are all part of one general plan and theory. All can be worked together harmoniously. This plan is entirely foreign to the other proposals contained in the bill. If it is included in the measure, its proponents will naturally insist on its being tried. This difference of opinion will cer-

tainly not be conducive to a fair trial of the proposals which the Secretary has in mind. Let us not do anything at this time to handicap the administration of this act in any way. [Applause.]

[Here the gavel fell.]

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Speaker, I shall support this amendment.

In this bill we are making provision for refinancing the farmer. Why? Because he has been unable to sell his products at the cost of production. Why are we devoting time to preparing and passing this legislation? It is because we are trying to give the farmer an opportunity to sell his products on the market for what is reasonable and fair, and this includes a reasonable profit. There is no business in the world that will succeed unless it is able to sell its products for the cost of production with a reasonable profit, and this applies to the farmer just the same as it applies to any other business or industry.

This is the first time, I believe, there has been before this House an opportunity for a straight vote on the question of furnishing the farmer what he is entitled to receive—the actual cost of the things he produces on the farm. [Applause.]

If you are trying to help the farmer, here is the one vote you can cast that will give him an opportunity to get what he is entitled to receive—the cost of production with a reasonable profit—and everyone who has spoken acknowledges he is entitled to this. [Applause.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ROGERS].

Mr. ROGERS of Oklahoma. Mr. Speaker, I judge by now you know that Oklahoma is for this amendment to guarantee the farmer the cost of production. I have not time to discuss this proposition in 1 minute, but I just want to say that if we are looking at the constitutionality of questions, we have waited a long time to begin.

The second objection is that it will not work. There is only one reason why this measure will not work and it is that you will not try it. Of course, it will not work if you do not give it the opportunity. If I read history correctly, practically every great invention and also every new proposal has always met the same criticism—it will not work—but when it was tried, it did work.

There are three things that you must consider with respect to any law. First, what is in the law; second, how will it be administered; and third, what cooperation will it receive? As we examine this law I see nothing in it that is not workable. It can be administered, if not by the present Secretary of Agriculture, then we can get a new Secretary that will make it work. And it will receive the right kind of cooperation because the farmers are for it. [Applause.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL. Mr. Speaker, I opposed the farm relief bill on its passage in the House. I was opposed to the McNary-Haugen bill, the Farm Marketing Act, and the Farm Board, because I am opposed to the Government's controlling farming operations or business operations except to prevent fraud and monopolies.

The Government has never ventured into the field of private industry without losing money and making matters worse. The Farm Board, with its stabilization corporations and gambling on the futures market, lost millions of the people's money. The exorbitant salaries, as high as \$75,000, paid by the Farm Board and cotton cooperatives, are an example of the abuses of unlimited power and should warn us never to grant such power again. It seems that they thought that the higher the salaries they paid, the higher prices they would receive for the products. We ought to learn some sense with such flagrant failures before us.

This bill contains two distinct provisions for the purpose of fixing prices of farm products. They are the processing fee to be collected from dealers and processors to constitute a fund to cover the cost of operation and to pay the differ-

ence between the present prices of farm products and the average prices between the years of 1909 and 1914, to be fixed by the Secretary of Agriculture. No one can deny that this is price fixing, and no one can say how much money it will take to administer the law and to pay farmers the difference between the present prices and the average price between 1909 and 1914.

The processing fees may be so high as to bankrupt all dealers and processors of agricultural products, and yet this law does not place any limit on the amount of the fees to be charged but turns all the farmers, dealers, and processors over to the tender mercies of one man whose word is law, with penalties imposing heavy fines and imprisonment. The Senate amendments have greatly improved this law.

The other provision for price fixing provides that the Secretary of Agriculture shall estimate the average cost of producing the products named in the bill and fix the price for that portion of the production used in domestic consumption that will cover the cost of production and will allow a reasonable profit to the producers. The Secretary of Agriculture can estimate this cost from the figures in his office and from crop reports filed from time to time, and the Government has estimated the average cost of producing farm products many times, and such average cost is fairly accurate. While commissioner of agriculture of my State, I estimated the cost of producing cotton for several years by cost reports from thousands of farmers. This cost varied greatly with individuals, some running very high and some running very low, but I found the average cost to be applicable to 75 percent of the farmers, and this is close enough for all practical purposes.

Why should not the farmer have the cost of production and a profit? It is the universal principle upon which all businesses are conducted or should be conducted. The steel producers, the copper producers, the automobile producers, and every other organized group of producers do business upon the cost-profit plan, and they are frequently assisted by the strong arm of the Government in levying a prohibitive tariff against imports by which they can raise their prices to the extent of the tariff rate and make the American consumers pay increased prices for the sole benefit of certain industries.

While I am opposed to the Government fixing prices or attempting to fix prices, it is already doing these things for certain industries and is attempting to aid the farmers to get better prices through the operation of this law. I shall support the one provision in this bill that seems to offer any relief to the farmer, and that is the Simpson amendment, supported by the real farmers of the country, which proposes to give them cost of production and a reasonable profit.

This is the principle upon which all successful industries are operated, and we certainly should make an honest effort to place agriculture on a sound business basis, while we are appropriating hundreds of millions of dollars to bolster up industry, which will be lost and the industries will fail, unless agriculture, upon which industry finally rests, is made profitable. We must not forget that agriculture is languishing and that the farmers are desperate, as shown by recent events in Iowa; and we must relieve this situation at all hazards or face a revolution.

I realize that the Secretary of Agriculture will experience difficulties in applying either of these alternatives to raise prices, but I submit that the cost of production and a reasonable profit on farm products is the soundest in principle and the most practicable in application.

Farmers do not ask any favors at the hands of the Government; they only ask a square deal, and they have not had this. If the Government will establish a sound and equitable money system, with the dollar stabilized at a fair exchange value between the price of farm products and the dollar, stop the exchange gamblers from robbing the farmers by manipulation of prices of farm products through which the natural laws of supply and demand are nullified, and take the burdensome taxes off the farmers and take the tax eaters off their backs, the farmers will

take care of themselves without any Government interference. I could quote figures and statistics in unlimited numbers to support my contention and to show the tremendous losses of the farmers, but they are dry and uninteresting, so I am merely stating facts known to everyone who exercises ordinary common sense.

There has been no effort made to stop the outrageous manipulations in prices of farm products through operation on the exchanges. Everybody knows that the vast dealings on the produce exchanges interfere with the natural law of supply and demand, and that the farmers have been robbed and plundered through these gambling agencies and through an unjust and unfair tariff, so that all their earnings have been taken from them and they are no longer able to pay taxes and purchase the products of industry.

Industry cannot employ labor or sell its products, and the whole economic structure has broken down and many people refuse to acknowledge the cause. The whole cause in a nutshell is an inadequate, unfair, and unwise financial system and an overcapitalized, maladjusted, industrial system, combined with an overorganized, inefficient, extravagant government—municipal, State, and National.

Whether you believe it or not, there can be no economic recovery without agricultural recovery. No nation has ever remained prosperous when agriculture languished. It is the pillow of prosperity in this country, and unless that pillow is sustained other industries must fall. If I were going to experiment in price fixing, I would take only two products, cotton and wheat. Agriculture is so fundamental and so vital to the welfare of the country that this Government would be justified in setting a fair price on cotton and wheat—the two great export products—and taking them over at that price, if such price could not be obtained in the open market, and making a direct appropriation to pay the difference between the market price and the price fixed by the Government. I know this statement will be combated; but I say it can safely be done and the Government can control production by voluntary agreement when profitable prices are guaranteed, but not otherwise; and with controlled production the guaranteed prices would be sustained in the markets and the Government would not lose a penny.

It would be no greater violation of sound principles, or of the rights of the people, to tax all the people to make agriculture prosperous than it is to tax all the people through tariff taxes to make industry prosperous, which practice has been in operation many years. It is safer and better for all the people to help sustain agriculture than it is to lend the banks the credit of the Government and permit them to control the credit of all the people. These practices have caused the collapse of business and loss of confidence of the people.

I am supporting this bill because it was amended by the Senate to give authority to expand the currency and to recognize the right of the farmers to receive cost of production and a reasonable profit. Let us give the Secretary of Agriculture the authority to use either of these means to raise the price of products. If one plan succeeds, he does not have to use the other; but if one fails, he can then use the other. The price of farm products has advanced recently because of the prospect of expanding the currency; and when expansion becomes a fact instead of a theory the price of products will rise to a point where it will not be necessary to experiment with questionable methods.

Just as soon as the Government resumes its constitutional authority to coin money and regulate its value and takes the control of the money system away from the "financial highjackers" who have brought honorable banking into disrepute and wrecked the entire industrial system, commodity prices will rise, purchasing power will be restored to the farmers and they will need products of the forest and factories to supply their needs. Orders will pour into the various industries for goods, and the industries will have to employ labor to fill the orders, and the wheels of progress will begin to turn, and the depression will be ended. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Speaker, every time anyone tries to make an argument or show cause why the farmer should be given cost of production, somebody yells something about the constitutionality of it. I wonder if these same fellows did all their yelling about constitutionality when the Esch-Cummings bill was passed, guaranteeing certain profits to railroads, or the laws which allowed the light, heat, and power companies to collect from the people on a basis of cost of production plus a reasonable amount of income, and so forth. We never heard this cry then, but when you talk for the farmer, then it is an unconstitutional provision.

For about 15 or 16 years we have been "kidding" the farmers along in this country, politically, by promising them cost of production in every campaign, and then when we come to the very heart of the entire farm bill—and I want to say here and now that the rest of the farm bill is the most assinine, unworkable monstrosity that ever went through the minds of men and is not going to work—there is only one thing in that entire bill, and that is not a mandatory proposition but a chance to give the Department of Agriculture and the Secretary an opportunity to use cost of production if he wants to, and we are going to take the very heart out of the farm bill or the only part of the bill that really amounts to anything.

If you give the farmer cost of production you can do away with all the rest of the bill. We do not need any of it. If you will give the farmer cost of production, plus a reasonable profit, he can pay his bills. You will not have to refinance him and lend him money to pay his debts. This is the cause of his being in the condition he is in today. This is due to the fact he has not received cost of production and I want you to know that so far as the farmer is concerned he has never in the history of the United States received cost of production. The only money that has ever been made by the farmers of this country has been made through an increased price of farm land which they have been able to sell as they retired from the farm, and now this last little semblance of a chance to make a few dollars has disappeared and farm values have fallen to nothing or less. This is the situation the farmer is in today. [Applause.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, if I had sufficient time I should like to go into the details and tell you why I favor the cost-of-production amendment now before us. I believe that it is the heart of this bill, that it offers the Department of Agriculture an opportunity to be a real help to the farmers of this country who are suffering from long neglect.

I trust that we can get a record vote on this amendment. [Applause.] I believe the people of the country are interested to know who are the friends of the farmer, and a record vote will tell the story.

The Department of Agriculture says that it does not want this amendment because it is too hard to administer. I should like to know how they can explain their position when they take the position they do on the matter of processors. [Applause.]

[Here the gavel fell.]

Mr. McFARLANE. Leave being granted to extend my remarks, the following is inserted:

Briefly stated the cost-of-production amendment will be easy of application and will, if used by the Department, employ as small a number of men as under any other plan in the bill. For instance, take wheat, for example. The elevator man would take the cost of production fixed by the Secretary of Agriculture in his proclamation for that part of the product brought to him that would be for home consumption. The balance would be sold just as it is now, controlled and handled in the same way it is now.

Assume the Secretary, in his estimate, found the total production of wheat for the year to be 800,000,000 bushels and that domestic consumption and that kept for seed to be 600,000,000. That would mean 200,000,000 would have to be exported. Thus, if a man brought 1,000 bushels of wheat to

the elevator, they would be required to pay him cost of production for 750 bushels, and the balance they would settle among themselves. The price would probably be fixed by the world market price, just as it is now. The whole plan is optional with the Secretary. The mechanics are in the amendment permitting him ample authority. The Senate adopted this amendment by a vote of 46 to 41. Let us give the farmer a chance. Leave this optional provision in the bill, so that if the other plans fail the Secretary may try this plan.

Mr. CLARKE of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. JOHNSON].

Mr. JOHNSON of Minnesota. Mr. Speaker, I do not think that I can say very much in the few minutes allotted me, but what I have to say will bear home because it reflects the true situation of the farmer today. I believe that there is no one in this body that knows the condition of the farmer as well as I do; and when I make the statement that what they need today above everything is assistance, and that they have focused their eyes upon Congress to give them that necessary aid, I have only briefed what the farmer wants.

We need help; we have begged assistance from Congress; we have submitted plan after plan for relief and aid; but what has been the result? I need not tell you the picture of repeated failure of true proponents of agriculture on this floor. Today this body has before it an amendment to provide the cost of production for the farmer; and simply what does it mean? My friends, cost of production spells salvation and rescue for the farmer, it spells prosperity for agriculture and the Nation, and I serve warning that the failure of Congress to pass this amendment will bring loud voice of disapproval from the great majority of people of this country.

Failure of this cost-of-production proposal will be just another stumbling block in the Nation-wide efforts of the people to recover from this web of panic and depression that has engulfed the Nation during these past few years. I tell you it is a far cry from the right wing of reaction, that has done nothing but give us promises, and the determined and stubborn farmers of the Middle West who are watching keenly every move that Congress makes; and I tell you that reaction and standpatters will take notice that men of the caliber of John Simpson, that great leader of one of the largest organizations of farmers, will call the roll of those that oppose this worthy measure of relief for the American farmer. I tell you we need more men of the type of Simpson. His patriotic loyalty to the farmer and his indefatigable efforts to aid agriculture and again restore a measure of prosperity to the farmer has been one of the rays of sunshine for the farmer.

This cost-of-production amendment is not an idle and worthless theory of farm practice. It is workable, feasible, and practical. It embodies a price fixing by the Department of Agriculture; and, if I may digress for a moment, may I say that I supported the Democratic Party nationally during the last 5 years and aided Mr. Smith and the present President, Mr. Roosevelt, and I have confidence that our Chief Executive intends the right thing. I had hoped that his appointment of Mr. Wallace as Secretary of Agriculture would spell a part of that "new deal" that was promised American agriculture, but I am sorry to say that my confidence in him and the secretaries under him has faded and dimmed during the past few weeks. His opposition to this proposed measure now before us has disappointed me keenly, and I can only say that I am indeed sorry that Mr. Wallace and those who work with him lack the fullness of the situation of the present plight of our farmer, of which I am a part.

I want to say to you Democrats that it would have been better for you by far if you did not come in here with this great majority. It has worked a great handicap upon the people of this Nation. By the use of the floor whip you have been rough shod in your tactics. You have applied the pressure of the conquerer, and why, when in a time of an emergency surely there is no one on this floor that would

oppose any measure that will aid the Nation in restoration of its industries and its farmers. But yet, regardless of this fact, you have in a determined machinelike process applied the "gag rule" and in so doing you have invited the same criticism upon your shoulders for which you burned on the stump the party that was in power before you. I am a Farmer-Laborite. What your party does here can only serve to strengthen the only progressive party in Minnesota, and that party is the one of which I am a member.

I opposed the economy measure because of its many unfair and drastic clauses, and by the same token I am supporting this cost-of-production amendment today because of the fairness and justice that it will provide for the hundreds of thousands of farmers who are pleading with you for support. They come to you not in humble fashion but with the great pride and reserve that is so true of the American, and they say to you, "Do not fail us." I hope that the majority of the Members of Congress vote "aye" for the cost of production for the greatest and most important member of society, the American farmer.

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker and Members of the House, I am for the Simpson amendment 100 percent. [Applause.] The amendment contains the feature of the only farmer's bill that ever really worked in this country.

We fixed the price of wheat during the war, and we robbed the farmers of \$1,000,000,000. Correct that mistake now by voting for this Simpson amendment. [Applause.]

Mr. TRUAX. If this plan will not work, none of the plans proposed in the bill will work. If the bill as written does not guarantee cost of production to the farmer, then it is not worth the paper it is written on. The Simpson amendment is the first bill ever written and sponsored by farmers themselves. We do not expect the theorists and farm quacks to be able to determine cost of production. Farmers themselves know what it costs to produce the various crops. I know what it costs and can tell how much the fiddling and straddling and betrayal by those parasites who farm the farmers has cost during the past 12 years. I am not so much interested in saving the Secretary of Agriculture as I am interested in saving the farmers and the country. It is unsound or unconstitutional to fix the price of money, taxes, farm machinery, gas, oil, electricity, and all the other commodities and services the farmer buys. You say that legislation of this kind enacted for the plutocrats, money kings, superindustrialists, and Wall Street bankers is sound and constitutional. When it comes to giving the farmer a square deal you hide behind that sacred old white ox—the so-called "law of supply and demand." By your vote on this amendment you designate whether you are a real friend of the farmer or only a lukewarm one.

No Democrat need fear evil effects from any measure sponsored and supported by John Simpson, president of the Farmers' National Union. This sterling Jacksonian Democrat was a delegate to the Chicago Democratic National Convention and helped to draft the farm plank in the platform which pledged "excess of cost of production to farmers." Our Republican friends on the minority need not fear him since the major portion of members in his organization live in normally strong Republican States. Farmers everywhere acclaim him as the most aggressive and fighting leader of all.

The farm plant has been going down in value and at the same moment the mortgage indebtedness in that plant has been increasing. The farm asset has been growing less valuable and the debt on it larger, increasing from four and a half billion dollars in 1915 to \$12,000,000,000 in 1933.

In analyzing this problem, first let me point out a few respects in which agriculture is at a profound and fundamental disadvantage as compared to other industries, respects as to which the farmer can do nothing practically himself. The manufacturer can determine in advance upon his production program and carry it out to the ton or the piece, or the Ford car, or the suit of clothes, pair of shoes, or what not. The farmer cannot do that. He may plant

100,000,000 acres of corn and get a $2\frac{1}{4}$ -billion-bushel crop, or he may plant 101,000,000 acres of corn and get a 3,000,000-bushel crop, and he cannot do anything about it except suffer after he has done it. The manufacturer can determine his costs in advance within a few cents per unit of production. The farmer cannot determine his in advance because the season determines his yield and the yield determines his cost. The manufacturer can determine his selling price in advance, and if he sells a good service and a good line of goods, he can maintain that selling price.

The farmer can decide on all the selling prices he pleases, and someone else will finally make the price at which he sells. The manufacturer can speed up his production program any time he pleases to meet additional market demand or increases in price or any other condition in the market. The farmer can do nothing of the kind. Once his seed is in the ground, he waits another year before he can plant another crop, and it takes a dairy cow several years to be profitable, from 2 to 3 years to produce a fat steer, and an apple tree from 7 to 10 years to come into good production, depending on the variety.

The manufacturer can slow down his production just as well as he can speed it up. Any time the price does not suit him, he can close his factory, lay off his hands, and be presented with a bill for overhead. The farmer cannot slow down his production. It will be what it will be, despite his efforts, once the seed is in the ground. People in thinking of agriculture give too little weight to these inherent difficulties; so when anyone makes the statement that the agricultural problem can be solved by regulated production, better business methods, loaning the farmer more money, diversification, or an extension of cooperative selling, one of two things is true—either he does not know what he is talking about or, for reasons best known to himself, he is deliberately trying to deceive the public.

It would be possible by universal agreement to so regulate output as to advance prices to the point where they are profitable, but everybody knows that is not feasible. And again, the American farmers do not want to take the responsibility of great curtailment of production, because a crop failure might ensue, which would be followed by extremely high prices and disaster to the cities, and possibly even bread riots such as were witnessed in the European countries during the war.

It is possible theoretically to bring about higher prices by curtailment of production, but industry does not wish to pursue such a method. Industry uses the tariff to charge higher prices, for the domestic consumption, and dumps the surplus abroad without a profit or a loss. This is precisely the plan which the American farmers want the Government to sanction, and we can give assurances that the American farmers are not going to be greedy in getting their share. They will be less greedy than capital or finance or industry.

After all, all that the American farmers ask is a fair exchange of products—justice for all.

The American farmers do not wish to tear down the protection for other favored classes and groups. They simply ask to be taken into the circle; that, as Abraham Lincoln, said—

Will be continued when this poor tongue of my own shall be silent.

We have summed it up in our slogan—"Cost of production for all or cost of production for none."

First. Part 3 of H.R. 3835, to be put into operation, would require the following steps:

(a) The Secretary of Agriculture would ascertain and promulgate the cost of production on any crop upon which he intended to operate under the cost-of-production plan. It is wholly optional with the Secretary whether or not to use this plan on any one or more crops during any marketing period.

(b) The Secretary of Agriculture would ascertain and promulgate the percentage of the crop upon which this plan is to operate, which will be needed for domestic consumption during the next marketing period.

(c) In ascertaining and maintaining the cost of production and the percentage of domestic consumption mentioned in (a) and (b) above the Secretary is left free, according to the terms of part 3, H.R. 3835, in regard to rules and regulations governing these matters. He might use the cost of production of the year before, or of the 5-year period prior, or of any other designated period which occurred to him as being the proper one to use. He could ascertain and promulgate a national cost of production—this would be the most likely procedure—or he could ascertain and promulgate costs of production regionally. He could, in ascertaining and promulgating the percentage of domestic consumption, use data from any year or group of years prior to the period upon which he desired to operate under the cost-of-production plan.

Second. After ascertaining and promulgating the cost of production of any crop for any marketing period, the Secretary further has the power, in part 3 of H.R. 3835, to license all dealers, whether cooperative or otherwise, which handled the particular commodity. In this the rules and regulations are not specified in the bill but are left free to be used by the Secretary. It is reasonable to expect that the Secretary, among the others, would have two iron-clad rules which all licensees must obey: First, to observe the cost of production on the particular commodity as a minimum price and play above it rather than below it; second, to pay all farmers who deliver the commodity at least the cost-of-production price on the portion to be consumed domestically, letting the balance take whatever price the world market would justify.

Third. Precedents for this enlargement of the Federal licensing power is had in the war and early post-war period, where the Government pursued almost identically this plan of licensing all dealers and requiring them to observe a price which then was guaranteed by the Government, but which did not cost the Government any money so to guarantee, because the dealers had to pay a price which was equal to or above the guaranteed price or else their license would have been forfeited and no amount of the commodity whatsoever could then have been handled by them. So it would seem to be in this case if a dealer, cooperative or otherwise, should not obey the requirement of his license to pay the cost-of-production price or to exceed it and to pay such price only on the portion to be consumed domestically, then the penalty for such disobedience would be forfeiture of his license privileges.

Fourth. In operation, in the case of wheat, the cost-of-production plan would work something like this: Farmer A drives up to a dealer with 100 bushels. The Secretary, hypothetically, has promulgated that 80 percent of the crop will be consumed domestically, so Farmer A will get the cost-of-production price or any amount in excess of it which is being paid on 80 bushels. The remaining 20 bushels will be sold to the same dealer at the same time at whatever price is agreed upon by the two interested parties, which price will be approximately that which is prevailing in world markets. This plan does not prevent the farmer selling all of his crop at any time he selects, nor does it contain a direct mandate on him from the Government that he shall or shall not raise more than a certain amount or plant in excess of a certain acreage. It seeks to employ the indirect but effective method of controlling production by visibly demonstrating to the farmer that if he raises the 20 bushels extra beyond what the Nation can consume he will get a much lower price for it than for the major portion of his crop. It is reasonable to expect that, with this visible demonstration, the farmer, in his own self-interest and quite automatically and without any Government interference, will control his own production.

Fifth. In H.R. 13310, Seventy-second Congress, second session, the three national farm organizations—the Grange, Farmers Union, and the Farm Bureau—supported a so-called "three-way bill", which included, first, the equalization fee; second, the debenture; and third, the allotment plan. This allotment plan as named in title III of the

Norton bill, H.R. 13319, was misnamed as it really should have been named "the cost of production plan", there having been no feature of allotment in it. A reading of title III of this measure alongside of part 3 of H.R. 3835, now pending before the House, shows that the measure then supported by the three national farm groups contained a cost of production plan almost identical to that in the pending bill before the House of Representatives. In the Norton bill the enforcement was sought to be lodged in the Federal Farm Board rather than, as in the pending measure, with the Secretary of Agriculture. That is practically the only difference in the two measures.

Sixth. Hearings before the House Committee on Agriculture on May 4, 1932, serial E, part II, disclose that the three farm organizations had chosen one spokesman to appear and explain the measure in behalf of the three national farm organizations. This spokesman said, among other things:

I am speaking for the National Grange, the National Farmers Union, and the American Farm Bureau Federation in relation to a bill which the three organizations have agreed upon to amend the Agricultural Marketing Act.

The same measure, S. 5027, introduced by Senator McNARY, had been explained by the same spokesman to the Senate Committee on Agriculture and Forestry in behalf of the same three national farm organizations. In explaining the misnamed "allotment plan" of the Norton and McNary bills of the Seventy-second Congress before the House committee it was stated:

I might make it a little more lucid to the members of the committee. The allotment plan, as I understand it, is based on the licensing power of the Federal Government in relation to farm commodities. We have the Warehousing Act; we have the Farm Board Act, under which the farm cooperatives work; and we have the Cooperative Marketing Act. Those acts give to Federal authorities certain powers and duties and warehouse activities.

Under the allotment plan the power of the Federal Government in warehousing would be extended so that all dealers in wheat, for instance, who are handling that commodity would be licensed by the Federal Government.

Then the next step in the allotment plan is that the Federal Government, under the terms of this bill, the amendment which we have determined upon in our program, would get the cost of production of that portion of the crop which is sold in the domestic market. The Federal Government would license the dealers to handle the crop, and they could not handle it at less than the cost of production.

The third step in the allotment plan is that the American farmer who produces that crop can produce what he cares to, just as much as he could in the equalization and in the debenture plans; and he can sell in the domestic market a certain portion of it, that portion bearing the same relation to his total crop as the total domestic consumption bears to the total crop promulgated by the Federal Farm Board. The other portion of his crop he sells through warehouse means or through the cooperatives or those who are licensed to deal in it, handling the part for which he is to get the cost of production. This second portion is to move at what the world price gives. Both portions are to be sold by the licensees under the power of the Federal Government at different prices; and if they violate that regulation, then their licenses will be revoked, and they are no longer privileged to deal in that commodity.

Under this plan the man may produce just as much as he can under the equalization or the debenture plans, and that part which is shipped to the foreign markets will move freely into world trade regardless of the cost of production.

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, I favor the Simpson-Norris amendment because it is in accordance with the letter and spirit of the Democratic platform. Let me read the exact language of the Democratic platform:

We favor the enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

This cost-of-production plan is, therefore, no new or novel idea. It has been favored and demanded by the great farming and agricultural interests and their organizations for years, and has been the subject of thorough study and consideration by committees in both the House and the Senate. It was discussed extensively in the campaign last year; and our party, by the declaration in our platform and its frequent reiteration from one end of the country to the other, is committed to the experiment.

In conclusion, Mr. Speaker, may I stress the fact that the amendment merely grants an authorization of power to the Secretary of Agriculture. It is not a mandatory provision, but, on the contrary, is permissive and optional only; and he may exercise the power if conditions and circumstances require it. In that respect it is very similar in its nature to much of the legislation which we have enacted during this extraordinary session of Congress granting alternative measures of relief. The amendment was adopted by an overwhelming vote in the Senate after long deliberation and debate and should be adopted by the House.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Speaker, I do not believe that there is a man on the floor of the House who has given more serious thought and special study to the agricultural situation for the past 12 years than I have. We have heard much about voting for this Simpson amendment, and about cost of production, but no one has heard a single word about what is contained in the Simpson amendment. Mr. Speaker, if we are unable to get anything beyond the cost of production out of this farm-relief bill which was introduced by me, then we will not have done much for the farmer. Under the allotment plan and the rental plan as carried in the bill we propose to give to the farmers the pre-war price for basic commodities. Under the cost-of-production plan you would give him a price considerably below the pre-war price. How do you propose to get the cost of production under the Simpson amendment? There is not a word in the amendment setting up a yardstick, so to speak, that would govern the Secretary in finding and determining the cost of production.

In Texas you may be able to produce cotton at 8 cents per pound, while in South Carolina, Georgia, and other Southern States it may cost 10 cents per pound. If you take the average cost, as provided in the amendment, it would be 9 cents in this instance. That would mean the farmers in Texas would receive a 1-cent profit per pound, while the farmers in the South would be losing 1 cent per pound. The same thing applies to every other farm product.

I want to call your attention to what is actually contained in this amendment, and I wish I had the time to go over the allotment plan and the rental-basis plan to show you the difference between these and the Simpson amendment. Under section 20 of the Simpson amendment the Secretary of Agriculture is authorized to find and proclaim the percentage of the domestic production of commodities—cotton, for instance—for market during the next marketing period for the commodity that will be needed for domestic consumption. This will be easy, for the reason that he has all the statistics covering production in the past available in the Department of Agriculture. In the next place, the Secretary is authorized to ascertain the average domestic costs of production for the commodity. The Secretary also has these figures in the Department of Agriculture; however, as stated, you will find that these figures would produce a price for all major farm products below the pre-war price.

Listen to this—subsection (b) of the amendment:

(b) After such date as shall be specified in the proclamation, it shall be unlawful for any person engaged in the business of buying and selling a commodity or commodities as a dealer therein to purchase any amount of the commodity from the producer or any association of producers at a price, for the domestic consumption percentage thereof, that is less than the proclaimed cost of production for the commodity.

This is the most ridiculous thing in the bill. This means that every man that buys a bushel of wheat or a bale of cotton would have to take into consideration in doing business the buying for domestic consumption and for export. This would be impossible. Yet you will notice in subsection (c) the following:

(c) Any person violating the provisions of subsection (b) shall be subject to a penalty of not more than \$1,000 for each violation, which may be collected by appropriate action in a court of competent jurisdiction brought in the name of the Secretary of Agriculture.

Those of you who are voting for this amendment which has not been explained to you, I want you to listen to me as I read subsection (e), which is found on page 34 of the bill:

(e) In order to carry out the provisions of this section, the Secretary of Agriculture is authorized to license persons engaged in the business of purchasing from producers or associations of producers any basic agricultural commodity with respect to which the Secretary has proclaimed the cost of production. Such licenses shall be subject to such terms and conditions as may be necessary effectively to execute the provisions of this section.

This means, my friends, as stated, every merchant, commission merchant, or anyone else buying and selling farm products at every crossroad, every town, and city would have to be licensed.

Listen to this:

Any person so engaged without a license, as required by the Secretary under this section, shall be subject to a fine of not more than \$1,000 for each day the violation continues.

I am wondering if those of you who are supporting this amendment and you who expect to vote for same realize just what it will cost to carry out this scheme of licensing and the army of policemen and detectives that it would take to enforce the same. Suppose the Secretary finds in the case of cotton that we consume in the United States 50 percent of the production and export the other 50 percent. How in the world will the buyers of cotton be able to keep track of just how many bales of cotton any one farmer may sell so as to be able to differentiate between that portion which is to be consumed in the United States and exported?

In other words, when a farmer comes to town with 10 bales of cotton, under the operation of the amendment the local cotton buyers, who in many instances are local merchants or cotton ginner, would have to under the regulations of the Secretary pay the cost of production, whatever that might be, for 5 bales of the cotton, and he would be permitted to buy the other 5 bales of cotton at any price that might be agreed upon between him and the farmer. There is nothing in the amendment that would bring about the planning of production or the restriction of production so as to be able to bring about a production in line with the demand for farm products, which would mean a better world basis price.

Under the allotment plan it is proposed to bring about a planned production; in the meantime we do not interfere in the least with the regular and well-established rules of doing business; that is, in buying and selling farm products. In other words, the farmer will continue to sell to whom he pleases, where he pleases on the world basis market without any restrictions of bookkeeping or licensing on the part of the buyer. However, when the farm product, cotton for instance, passes into the hands of the manufacturer, who buys cotton under the operation of the allotment plan just as he is doing today, the operation of the farm relief bill begins. In all of these transactions, under the allotment plan, there are no licenses or restrictions, except the manufacturer is required to add to the cost of his cotton the adjustment charge; that is, the difference between the world basis price as paid by him and the pre-war price, and he is permitted to pass same on to the consumer. The manufacturer then will be called upon by the Treasurer of the United States for this adjustment charge, which will be paid to the farmer so as to make up the difference between the world basis price and the pre-war price. In other words, if this bill was in operation today farmers would be receiving 13 cents per pound for that portion of cotton that is consumed in the United States, whereas he is only receiving about 8 or 9 cents. Two or three weeks ago he was receiving only 6 cents per pound.

Even Mr. Simpson in his statements before the Senate committee was unable to outline any workable scheme in connection with his proposition. It is my belief that it is the intention of the Secretary of Agriculture, with the advice and under the direction of the President of the United States, to put into operation the domestic-allotment plan referred to by the President in his campaign speeches, as well as the rental plan, with the determination of giving to the

farmers of this country a fair price in line with industrial prices.

I want to call your attention to the fact that the administration opposes this amendment. I quote from a statement issued by the Secretary of Agriculture:

Amendment no. 83: This is the cost-of-production amendment. The Department of Agriculture is vigorously opposed to the amendment. It believes that the amendment is economically unsound and would, if placed in effect, depress rather than increase farm prices. In the absence of any legislative standard for determining cost of production it would be impossible to arrive at such costs on any definite basis. The cost-of-production figures of the Department are now less than the parity price or fair-exchange value provided in the bill. If any attempt were made to fix prices by enforcing a cost-of-production price that did not have due regard for purchasing power of the consumer and other economic considerations, the commodity would back up on the farm. Extensive bootlegging would result and innumerable fines be imposed if any real attempt at enforcement were made. It is believed that the operation of the amendment would seriously impair the farm-relief program. The presence of the amendment in the bill will raise expectations for higher farm prices than can possibly be obtained in view of the unworkable and unsound character of the amendment, and will endanger the securing of cooperation in certain farm regions for other features of the bill which hold promise of effective and sound relief.

Today, my friends, we have an opportunity to give to the President and to the Secretary of Agriculture a workable bill, one that will mean a "square deal" and a "new deal" to agriculture, and I am hoping that this amendment will be voted out by the largest majority possible on the part of the House. If this is done, I can assure you that you conferees on the part of the House will not have any trouble in making the Senate see the light and join with us in promptly sending to the President, to my mind, the greatest piece of legislation that has ever passed the Congress of the United States.

Mr. JONES. Mr. Speaker, I yield the remainder of my time to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, it is impossible to discuss the merits of this amendment in the short space of 3 minutes. I do not yield to any man in my desire to see the farmer secure the best price possible for his products, because I believe we are never going to have a return to prosperity, which we all so much desire, unless something is done to increase the price of commodities in the hands of the producer. I speak to you gentlemen on this side of the aisle, and I speak with some authority when I say to you that the administration is opposed to this Simpson amendment. The Secretary of Agriculture is on record as opposed to it, and the gentleman who it is generally understood is going to be charged with the responsibility of administering the law is very much opposed to it. The reason why they are opposed to it is the fact that they know it is impracticable and absolutely unworkable and will possibly destroy the very purpose of the bill, which was framed to give to the farmer a reasonable price for his product, and which it is hoped and believed will do it if this bill is passed and placed on the statute books.

Mr. McFARLANE. Will the gentleman yield?

Mr. BYRNS. I have not the time, I am sorry. There is no reason for grafting this sort of an amendment on the bill. People talk about fooling the farmer. As the gentleman from South Carolina [Mr. FULMER] said, no man who has favored this amendment has yet talked about what is in the amendment. Gentlemen say, "Do not fool the farmer"; and I say to you gentlemen, "Do not try to fool the farmer by passing something which those who are to administer the law say is unworkable and cannot operate for the benefit of the farmer." Everyone knows that the price of farm products is a variable one. It costs more to produce wheat in some States than it does, for instance, in the State of Kansas.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I have not the time. It costs more to produce other products in some sections than in other sections. In your own counties you know there are sections in which the cost of production varies very materially from the cost in other sections, for one reason or another. The gentleman from South Carolina [Mr. FULMER] has pointed out to you

in addition to other objections that under the terms of this amendment you will have to issue a license to every man who seeks to buy a bushel of wheat, a bushel of corn, or a pound of cotton or tobacco.

Gentlemen, it will take more employees than you ever dreamed of to enforce this amendment. I say to you gentlemen on the Democratic side of the Chamber who have made a record, and also to you gentlemen on the Republican side, to whom we give full credit, you who have made a record of standing by the administration in its efforts to promote prosperity and to carry out the promises made to relieve the farmers and to relieve all classes of people, let us not abandon that record by undertaking to vote for a motion to concur in an amendment which was inserted in another body without very full consideration. If you want this amendment adopted, then propose it in an independent bill where it can be well considered, and some of the objections which the gentleman from South Carolina and the gentleman from Mississippi [Mr. Doxey] have pointed out may be eliminated.

I hope the House will vote down the motion to recede and concur, and send this back to conference, because I believe, and the administration hopes and believes, that we will finally work out a bill which will bring to the farmer the cost of production plus a reasonable profit, to which he is entitled and which we all favor. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Tennessee [Mr. BYRNS] has expired.

All time has expired.

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recede and concur.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin [Mr. BOILEAU] to recede and concur in Senate amendment No. 83.

Mr. BOILEAU. On that I ask for the yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 109, nays 283, not voting 40, as follows:

[Roll No. 36]

YEAS—109

Allen	Fuller	Lesinski	Scrugham
Arens	Gilchrist	Lewis, Colo.	Shallenberger
Ayers, Mont.	Gillespie	Lundeen	Shoemaker
Blanchard	Gillette	McClintic	Sinclair
Boileau	Glover	McFadden	Smith, Wash.
Cannon, Mo.	Gray	McFarlane	Strong, Tex.
Cannon, Wis.	Griswold	McKeown	Stubbs
Carpenter, Kans.	Guyer	Marland	Studley
Carpenter, Nebr.	Hart	Marshall	Swank
Cartwright	Hastings	Martin, Colo.	Sweeney
Chase	Henney	Miller	Taylor, Colo.
Christianson	Hildebrandt	Mitchell	Taylor, Tenn.
Coffin	Hill, Knute	Monaghan	Terrell
Collins, Miss.	Hill, Samuel B.	Montet	Thomason, Tex.
Cravens	Hoepfel	Mott	Thurston
Crowther	Holdale	Murdock	Truax
Cummings	Howard	Musselwhite	Turner
Deen	James	O'Malley	Wallgren
Dickinson	Johnson, Minn.	Parker, Ga.	Wearin
Dies	Johnson, Okla.	Parks	Weideman
Disney	Johnson, Tex.	Patman	Werner
Dowell	Keller	Peavey	White
Driver	Knutson	Pierce	Withrow
Dunn	Kvale	Ramsay	Wood, Mo.
Durgan, Ind.	Lambertson	Rankin	Young
Eicher	Lee, Mo.	Richards	
Fletcher	Lehr	Rogers, Okla.	
Frear	Lemke	Sanders	

NAYS—283

Abernethy	Bland	Bulwinkle	Chavez
Adams	Blanton	Burch	Claborn
Allgood	Bloom	Burke, Calif.	Clark, N.C.
Almon	Boehne	Burke, Nebr.	Clarke, N.Y.
Andrew, Mass.	Boland	Burnham	Cochran, Mo.
Andrews, N.Y.	Bolton	Busby	Cochran, Pa.
Arnold	Boylan	Byrns	Colden
Ayres, Kans.	Brennan	Cady	Cole
Bacharach	Britten	Caldwell	Collins, Calif.
Bacon	Brooks	Carden	Colmer
Bailey	Brown, Ky.	Carley	Condon
Bakewell	Brown, Mich.	Carter, Calif.	Connery
Beam	Browning	Carter, Wyo.	Connolly
Beedy	Brumm	Cary	Cooper, Ohio
Berlin	Brunner	Castellow	Cooper, Tenn.
Biermann	Buchanan	Caviechia	Corning
Black	Buck	Chapman	Cox

Crosby	Hamilton	McMillan	Sears
Cross	Hancock, N.Y.	McReynolds	Secrest
Crosser	Harlan	McSwain	Seger
Crump	Harter	Major	Shannon
Culkin	Hartley	Maloney, Conn.	Simpson
Cullen	Healey	Maloney, La.	Sirovich
Darden	Hess	Mansfield	Sisson
Darrow	Hill, Ala.	Mapes	Smith, Va.
Dear	Hollister	Martin, Mass.	Smith, W.Va.
Delaney	Holmes	Martin, Oreg.	Snell
De Priest	Hooper	May	Snyder
DeRouen	Hope	Mead	Spence
Dickstein	Hughes	Meeks	Steagall
Dingell	Imhoff	Merritt	Stokes
Dirksen	Jacobsen	Millard	Strong, Pa.
Dobbins	Jeffers	Milligan	Summers, Tex.
Dockweiler	Jenckes	Moran	Sutphin
Dondero	Jenkins	Morehead	Swick
Doughton	Johnson, W.Va.	Muldowney	Taber
Douglass	Jones	Nesbit	Tarver
Doutrich	Kahn	O'Brien	Taylor, S.C.
Doxey	Kee	O'Connell	Thom
Drewry	Kelly, Ill.	O'Connor	Thompson, Ill.
Duffey	Kelly, Pa.	Oliver, Ala.	Tinkham
Duncan, Mo.	Kemp	Oliver, N.Y.	Tobey
Eagle	Kennedy, Md.	Owen	Treadway
Eaton	Kenney	Parker, N.Y.	Turpin
Edmonds	Kerr	Parsons	Umstead
Elzey, Miss.	Kinzer	Perkins	Underwood
Eltsa, Calif.	Kleberg	Peterson	Utterback
Englebright	Kloeb	Pettengill	Vinson, Ga.
Evans	Kniffin	Peyser	Vinson, Ky.
Faddis	Kocalkowski	Polk	Walter
Farley	Kopplemann	Pou	Warren
Fiesinger	Kramer	Powers	Watson
Fish	Kurtz	Prall	Weaver
Fitzgibbons	Lambeth	Ramspeck	Welch
Fitzpatrick	Lamneck	Randolph	West, Ohio
Focht	Lanham	Ransley	West, Tex.
Ford	Lanzetta	Rayburn	Whitley
Foss	Larrabee	Reece	Whittington
Fulmer	Lehlbach	Relly	Wigglesworth
Gambrill	Lewis, Md.	Rich	Wilcox
Gasque	Lindsay	Richardson	Willford
Gavagan	Lloyd	Robertson	Williams
Gibson	Lozier	Robinson	Wilson
Goldsborough	Luce	Rogers, Mass.	Wolcott
Goss	Ludlow	Rogers, N.H.	Wolfenden
Granfield	McCarthy	Rudd	Wolverton
Green	McCormack	Ruffin	Wood, Ga.
Greenwood	McGrath	Sandlin	Woodruff
Gregory	McGugin	Schaefer	Woodrum
Griffin	McLean	Schuetz	The Speaker
Haines	McLeod	Schulte	

NOT VOTING—40

Adair	Ditter	Kennedy, N.Y.	Romjue
Auf der Heide	Fernandez	Lea, Calif.	Sabath
Bankhead	Flannagan	McDuffie	Sadowski
Beck	Foulkes	Montague	Somers, N.Y.
Beiter	Gifford	Moynihan	Stalker
Brand	Goodwin	Norton	Sullivan
Buckbee	Hancock, N.C.	Palmisano	Traeger
Celler	Higgins	Ragon	Wadsworth
Church	Hornor	Reed, N.Y.	Waldron
Crowe	Huddleston	Reid, Ill.	Zioncheck

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he answered "no."

So the motion to recede and concur in Senate amendment no. 83 was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Crowe (for) with Mr. Wadsworth (against).

Mr. Zioncheck (for) with Mr. Auf der Heide (against).

General pairs:

Mr. Ragon with Mr. Buckbee.

Mr. Huddleston with Mr. Gifford.

Mr. Church with Mr. Stalker.

Mr. Lea of California with Mr. Romjue.

Mr. Brand of Georgia with Mr. Foulkes.

Mr. BOYLAN. Mr. Speaker, the lady from New Jersey, Mrs. NORTON, is necessarily detained by official business. If she were present, she would vote "no."

Mr. CULLEN. Mr. Speaker, I am requested by the following Members, who are unavoidably absent, to state that if they were present they would vote "no": Mr. SABATH, Mr. BETTER, Mr. BANKHEAD, Mr. KENNEDY of New York, Mr. FERNANDEZ, Mr. SADOWSKI, Mr. ADAIR, Mr. FLANNAGAN, Mr. CELLER, Mr. McDUFFIE, Mr. MONTAGUE, Mr. SULLIVAN, Mr. SOMERS of New York, Mr. HORNOR, Mr. PALMISANO, and Mr. HANCOCK of North Carolina.

Mr. DARROW. Mr. Speaker, I am requested to announce that my colleagues, Mr. BECK, Mr. WALDRON, and Mr. DITTER are unavoidably absent; and if present, they would vote

"no." Also the following Members are unavoidably absent; and if present, would vote "no": MESSRS. GODWIN, TRAEGER, REID of Illinois, HIGGINS, REED of New York, and MOYNIHAN.

The result of the vote was announced as above recorded.

On motion by Mr. JONES, a motion to reconsider the vote by which the motion to recede and concur was rejected was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, the bill (H.R. 5480) entitled "An act to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof, and for other purposes."

The message also announced that the Senate insists upon its amendment to said bill, requests a conference with the House thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. GOLDSBOROUGH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located;

S. 727. An act for the relief of Francis N. Dominick;

S. 1256. An act granting the consent of Congress to compact or agreements between the States of Kansas and Missouri for the acquisition, maintenance, and operation of a toll bridge across the Missouri River near Kansas City, Kans., for the construction and maintenance of connections with established highways, for the incorporation of such bridge in the highway systems of said States, and for other purposes; and

S. 1425. An act to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933.

EXTENSION OF REMARKS—CONFERENCE REPORT, H.R. 3835

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on this conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CLARK of North Carolina. Mr. Speaker, since the people of the district I have the honor to represent are so vitally interested in the provisions of the Farm Relief Act of 1933, which has just been signed by the President, and finding it impossible to respond in detail by correspondence to the numerous requests I am receiving for information in regard thereto, I am taking advantage of this opportunity to extend my remarks in the RECORD.

It cannot be foretold what construction will be placed upon the act by those whose duty it becomes to administer it, and it is attempted here to give only a general analysis according to my own interpretation of what has been characterized as the most important legislation in 6,000 years. Let me add that this, and much of the other legislation of the extra session of Congress, is not just as I would have it, but I know that we are facing a new era and are dealing with conditions which threaten to overwhelm us. Realizing that under such circumstances legislators and executives cannot always come to complete agreement as to remedies, I have waived objections that might have been insisted upon and have supported and voted for every proposal submitted to Congress by our great President, with the exception only of the beer bill and the so-called "economy act", my reasons for voting against each of which have already been stated.

In submitting his farm-relief legislation to Congress the President stated frankly that the proposals were new and untried, but that the situation is such as to demand action of some kind; and that if these proposals should not produce results he would be the first to admit that fact and try

something else. The legislation consists of what is known as the Smith cotton plan, the domestic allotment plan, the rental benefit plan, the farm mortgage relief plan, and inflation of the currency, which subjects will be mentioned here in the order stated. Let it be said at once that all the plans here mentioned are purely voluntary. No farmer can be forced to enter any of them. He can try them or he can leave them alone as he sees fit. It may as well be stated here also that both the Smith cotton plan and the domestic allotment plan were passed by the last Congress, but Mr. Hoover refused to sign either of them. They were both passed again by the House early in the extra session, but final passage of the bill has been greatly delayed because it became desirable to add the farm mortgage relief plan and inflation of the currency, the consideration of which two most important subjects consumed much time.

But all limitations in the act as to the times within which things must be done have been pushed forward, and the law, while not fully applicable to the crop of 1933, will be to the crop of 1934. The further general statement should be made here that the Smith cotton plan, the domestic allotment plan, and the rental benefit plan are all based upon the principle that the prices of farm commodities can and will be raised if a substantial reduction in production can be accomplished, and this principle should be kept clearly in mind in considering the value of the legislation.

SMITH COTTON PLAN

Under this plan the Secretary of Agriculture purchases at the market price all of the cotton owned by the Federal Farm Board or any other Government agency heretofore acquired in an effort to stabilize prices, as collateral to crop-production loans, or otherwise. This amounts to about 1,500,000 bales, as of May 6, 1933. This cotton is in sight, and has the same or worse effect in depressing the market than if it were owned in small quantities by various parties. If production continues upon the present basis, or increases, the price will likely remain low, or go lower, with loss both to the Government and the farmer. If production can be greatly decreased, prices will rise to the benefit of both the Government and the farmer. Why, then, produce more cotton when the Government owns so much already? The Smith cotton plan seeks to use this Government-owned cotton as a means by which to reduce production, and in this way:

The act provides that any farmer who will (1) reduce his production by not less than 30 percent below the previous year and (2) will not use the land taken out of cotton for the production, for sale, of any nationally produced commodity may have an option on the same number of bales of cotton in the possession of the Secretary of Agriculture as that by which the farmer has reduced his production below the previous year. For instance, if the farmer produced 60 bales the previous year, he would have to reduce that by 30 percent, which would be by 18 bales. He could then produce 42 bales on his farm and have an option on 18 bales of that held by the Secretary. As soon as the act is law the Secretary has to buy all the cotton from all Government agencies at the market price. The option to the farmer would be based on the same price, and the farmer can close it out at any time up to the first day of the succeeding January. If cotton goes up, the farmer gets the profit; if it goes down, the Government simply sustains the loss it would have had anyway. The act expressly exempts the farmer from any loss on account of the option. All he has to do is reduce production by not less than 30 percent below the previous year and refrain from using the land taken out of cotton for the production, for sale, of any nationally produced commodity. The farmer simply produces 70 percent of the previous year's crop and takes, free of cost and without liability, a perfectly good option on cotton already produced, graded, insured, and stored to the amount of 30 percent of his crop of the previous year.

THE DOMESTIC ALLOTMENT PLAN

The purpose of the domestic allotment plan is simply to restore the prices of agricultural commodities to their proper relative position with respect to the prices of other commod-

ities—to put the buying power of farm commodities more in line with the buying power of other commodities. As matters stand now the price of what the farmer has to sell is entirely too low when measured against the price of the things he has to buy. For instance, since the period just prior to the World War the buying power of cotton has declined 53 percent, tobacco 19 percent, hogs 53 percent, and so forth. But the buying power of practically all the commodities the farmer has to have has declined but little. When a farmer sells cotton for cash and uses the money to buy a mowing machine, the transaction amounts to nothing more than exchanging the cotton for the machine. Under present conditions he has to give too much cotton in order to get the machine, because the buying power of the two commodities is entirely out of line. The same is true as to practically every farm commodity when compared to other commodities. In the pre-war period from 1909 to 1914 the average price of all commodities was comparatively low, but the buying power of farm commodities was nearer in line during that period with the buying power of other commodities. The purpose of this plan is to restore, as far as it can, the parity that then existed, not by boosting the price of farm commodities to the injury of other commodities, but by lifting the price of farm commodities to a fair position with respect to the prices of other commodities.

As suggested, the average price of farm commodities from August 1909 to August 1914, while low, was more in line with the prices of other commodities. As to cotton, wheat, rice, corn, and hogs the act adopts this 5-year period as a basis. During this period the average price of cotton was about 12 cents. The price of tobacco during this period was abnormally low, and on this account the act adopts as the basis for tobacco the period from September 1919 to August 1928. During this period the average price of flue-cured tobacco was 16 to 18 cents.

In order to try to bring the prices of these commodities back to or near the prices therefor during the respective periods just mentioned, the Secretary of Agriculture is authorized to fix a processing fee thereon equal to the difference between the present average price and the average price of the same commodity during the periods mentioned above. The Secretary of Agriculture is authorized to fix the marketing year of any commodity, and from statistics in his department determine the average price of such commodity during the basis periods mentioned, and fix the amount of processing fee necessary to bring the buying power of such commodity back in line with what it was in the basis period. This processing fee is to be paid by the first processor or manufacturer of such commodity, whether produced in or imported into this country, but in the case of cotton the mills do not have to pay such fee until the manufactured goods are invoiced for sale. The Secretary of Agriculture can raise or lower, for any marketing year, the processing fee in such manner as seems best to promote prices of the commodities involved, and if and when prices rise to such a level as to restore the buying power of any or all of these commodities to the level of the basis period, the processing fee will disappear altogether. The funds arising from these fees will be used by the Secretary of Agriculture in making benefit payments to the farmers who have complied with the regulations of the Secretary, which undoubtedly will include a reduction in production. That is really the heart of the plan, and it is contended that a sufficient reduction in production can be obtained to drive prices back up without any processing tax.

The Secretary of Agriculture is also given authority to make payment of certain rental benefits to those who will withdraw land from the production of those commodities now so greatly overproduced.

The Secretary of Agriculture is also authorized by the act to enter into marketing agreements with producers, and associations of producers, for the purpose of assisting in the orderly and best marketing of farm commodities. But more important than this is the fact that he is given authority under the bill to require any person dealing in farm commodities to secure a license from the Secretary of Agricul-

ture; he can make regulations in regard to the manner of handling and dealing in farm commodities; can examine into the books of persons so engaged; is authorized, upon proper notice and hearing, to revoke the license of any person who is handling and dealing in agricultural commodities in a manner detrimental to the producers thereof. The purpose of this part of the act is to enable the Secretary of Agriculture to deal in a drastic and effective manner with those who have been standing between the producer and consumer of farm commodities and exacting a highly unreasonable and unjustifiable profit. Much power and discretion is vested by the law in the Secretary of Agriculture, but he is required to proceed upon the basis of statistics compiled in his office, from actual transactions throughout many years, and all such power conferred upon him expires by limitation of the law itself at the end of 2 years and cannot thereafter be exercised by him unless Congress should renew its grant of power to him.

FARM MORTGAGE RELIEF PLAN

This legislation seeks to accomplish relief for farm mortgages generally. It provides that Federal land banks may issue bonds to the amount of \$2,000,000,000, payment of which shall be guaranteed by the Government as to interest only. These bonds may be exchanged for, or the proceeds thereof used in purchasing, first mortgages on farm lands, but in either case the amount paid by the bank for such first mortgage shall not exceed the amount of the unpaid principal of the mortgage or 50 percent of the value of the land mortgaged plus 20 percent of the value of permanent insured improvements, whichever is the smaller. If the balance due upon the principal is smaller than 50 percent plus 20 percent of the values just stated, then the bank cannot purchase the mortgage at more than such unpaid principal. But if 50 percent plus 20 percent of value is smaller than the unpaid principal of the mortgage, then the bank cannot pay more than 50 percent plus 20 percent of the values, regardless of the balance due upon the principal of the debt. It is thought that the Federal land banks will be able in this way to acquire first mortgages on farming land at great reductions. Such reductions are to be passed on to the borrower. The amount of his debt is reduced accordingly and he becomes entitled to have his debt, after deducting anything the bank has been able to save for him, refinanced through the Federal land bank upon the regular terms.

THOSE WHO OWE FEDERAL LAND BANKS

There are two provisions of the act which benefit these borrowers. A former act provided for an extension of time during 5 years when in the judgment of the directors conditions justified it, and \$25,000,000 was appropriated to make the act effective. The present act continues this provision and provides \$50,000,000 with which to make it effective; but it provides that such extension will not be made where, upon investigation, it is found to be within the capacity of the borrower to meet the payments.

But the most important provision affecting those who have borrowed from Federal land banks is that any person who has borrowed from a Federal land bank through a national farm-loan association will have his rate of interest reduced to 4½ percent for a period of 5 years, commencing 60 days after the law takes effect, which means after the President signs it; and during such period of 5 years no mortgage to a Federal land bank can be foreclosed because of the non-payment of the principal coming due during such time, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage, such as interest, insurance, taxes, waste, and so forth. In return for the concession thus required of the banks, and in order to keep faith with those who have invested their funds in the bonds of these banks, the Government guarantees the payment of the interest upon the banks' bonds during the 5-year period mentioned above. The principal relief in this act for borrowers in our district from Federal land banks is the reduction of interest to 4½ percent during the period of 5 years, and the moratorium against foreclosure during that time for nonpayment of principal.

JOINT-STOCK LAND BANKS

As to these banks, an appropriation of \$100,000,000 is made available to the Farm Loan Commissioner to be loaned to joint-stock land banks in the same proportion as the unpaid principal of the mortgages held by any such bank bears to the total amount of unpaid principal of all the mortgages held by all such banks; which simply means that if there should not be enough of the \$100,000,000 to fully accommodate all these banks they shall each be entitled to a fair proportion thereof. Any bank that borrows any part of this fund cannot be granted more than 60 percent of the appraised value of the real estate offered as security, must pay the expenses thereof, must agree to reduce to 5 percent the rate of interest upon all mortgages owed to it, and must agree that for a period of 2 years it will not proceed against the mortgagor on account of default in the payment of interest or principal, and will not foreclose its mortgage unless the property covered thereby is abandoned, or unless the Loan Commissioner deems the foreclosure necessary. The effect of this is that the borrower from a joint-stock land bank gets his interest rate reduced to 5 percent and has a moratorium against foreclosure for a period of 2 years as to both principal and interest.

It is a well-known fact that for sometime joint-stock land banks have been buying their own bonds at a discount and thus recouping the losses sustained by them upon the foreclosure of farms which have not brought the full amount of the indebtedness against them. It is also a fact that large amounts of these joint-stock land bank bonds have gotten into the hands of people who have paid very little for them, and which might now be purchased at a very low figure by the banks themselves. The act provides that any one of these banks that borrows any of the fund referred to above will hereafter, in purchasing any of its own bonds, pay not more than the price paid for such bonds by the present holder prior to April 17, 1933; and that whenever a bank has bought its bonds at less than their face value, the difference between the face value of the bonds and the price paid therefor by the bank shall be prorated among the borrowers from such bank and the amount of their debt to the bank reduced accordingly, after any impairment in the capital of the bank has been made good.

It will be noted that the provisions providing for rate of interest of 5 percent and the moratorium for 2 years include mortgages upon which there has been no default in payment of either principal or interest. Another section of the bill makes available to the Farm Loan Commissioner \$25,000,000 to be loaned to the joint-stock land banks in cases where there has been default in payment of interest and principal and unpaid taxes, to obtain any of which the bank has to agree to postpone foreclosure for 2 years, and to charge the borrower not in excess of 4 percent upon the unpaid principal and interest and delinquent taxes. But no loan will be made under this provision of the bill except in cases where the Farm Loan Commissioner is satisfied that the borrower, after exercising ordinary diligence, is not able to meet such payments.

Another section of the act, available only to those bona fide engaged in farming operations, including the personal representative of a deceased farmer, appropriates \$200,000,000 to be loaned by the Farm Loan Commissioner directly to such farmers in amounts not to exceed 75 percent of the value of the property given as security, and in no case to exceed \$5,000, and to be used only for the purpose of refinancing an existing indebtedness, providing working capital for farming operations, and enabling farmers to redeem or repurchase farm property lost by them under foreclosure since July 1, 1931.

NATIONAL BOARD OF CONCILIATION

Such a board is established by the act, consisting of the Secretary of the Treasury, the Secretary of Agriculture, a member of the Federal Reserve Board, and such other officer of the Government as may be charged with the administration of any law or laws relating to rural credit or farm mortgage indebtedness. A State board of conciliation is also authorized for each State, and directed to designate a

suitable number of local boards within the State. The purpose of this is to lend the good offices of the Government and its influence, both National and State, in the equitable and fair adjustment of the many controversies that already exist and will continue to arise between the mortgagors and mortgagees. These boards do not have the power to say what one shall take or another shall pay, but they should undoubtedly be of great help in bringing about those kinds of adjustments which are so necessary and helpful under present conditions.

INFLATION OF THE CURRENCY

The last title of the farm-relief act deals with this momentous subject. Briefly stated, it authorizes an increase in the circulating medium of \$6,000,000,000 and authorizes the President to reduce the weight of the gold dollar by 50 percent or less and fix such definite ratio of the silver dollar to the gold dollar as he may find necessary to stabilize domestic prices or to protect foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, or to fix such ratio and weight of the gold dollar in accordance with any agreement that may be entered into with foreign governments with reference thereto. This section is highly technical, and I can do no better than to say it is so drawn as to place this entire matter in the sound discretion of the President and to quote in this connection from his magnificent address delivered on the night of May 7, 1933, as follows:

The administration has the definite objective of raising commodity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed.

We do not seek to let them get such a cheap dollar that they will be able to pay back a great deal less than they borrowed.

In other words, we seek to correct a wrong and not to create another wrong in the opposite direction. That is why powers are being given to the administration to provide, if necessary, for an enlargement of credit, in order to correct the existing wrong. These powers will be used when, as, and if it may be necessary.

Hand in hand with the domestic situation, which, of course, is our first concern, is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other nations of the world. In other words, we can get, in all probability, a fair measure of prosperity return in the United States, but it will not be permanent unless we get a return to prosperity all over the world.

IN CONCLUSION

During the last 6 months I have heard so much discussion of farm relief and the proposal of so many and such varied forms of relief as to remind me forcibly of the days on the farm when a mule would have the colic. Invariably everybody would quit work and gather at the place where poor old Balaam was struggling with his internal disturbances. Frequently, too, many of the neighbors would drop in to swap chewing tobacco and pass an opinion on the situation. Everybody had a different idea about what ought to be done and the method of doing it. As the struggle grew desperate all remedies were applied. The result was that if the mule got well no one knew what cured him. Sometimes he died and no one knew what killed him. The Farm Relief Act of 1933 contains almost every remedy known to mankind, but certainly the situation is desperate enough to justify the application of remedies that will either cure or kill. The principle of the legislation is to stay foreclosures upon farm property just as far as it is possible within constitutional limitations to do so, until by use of the Smith cotton plan, the domestic allotment plan, the rental benefit plan, and the inflation of the currency, one or all, the price of farm commodities can be brought back to such a point as will insure the farmers a reasonable profit. If that can be accomplished America will be well on the way to a return of prosperity. Until it is accomplished there will be, in my judgment, no return of prosperity.

As already suggested, this legislation does not go as far as I had hoped it would, particularly that part of it dealing with farm-mortgage indebtedness. But I recognize the fact that in legislation of this kind the condition of the Treasury and constitutional limitations must be taken into consideration. Undoubtedly our great President has in mind a broad

and well-rounded economic program in which a rise in price of farm commodities holds a prominent place. If this succeeds, all will be well. If it does not, then, as he has suggested, something else will be tried. In the meantime this legislation will at least afford a breathing spell.

Mr. LUNDEEN. Mr. Speaker, while we are considering the agricultural bill, we should have before us the conclusions of the farm leaders of this country. We should hesitate to reject the recommendations of John Simpson, president of the Farmers' Union and legislative representative of both the Farmers' Union and the Farmers' Holiday Association, the two leading farmers' organizations in America.

STATEMENT OF JOHN A. SIMPSON

I have a letter from John A. Simpson stating that both of these organizations have, in national convention, repeatedly and unanimously endorsed the Frazier bill, known as the "Lemke bill" in this session of Congress in the House. Mr. Simpson has come to the conclusion that the farm-mortgage refinancing provisions of H.R. 3835 do not even approach a remedy for the situation that faces the farmers with mortgages on their farms. He says the farmers know this, and the Members of Congress will know it soon if they do not know it now. He informs us that many farmers already are financed on as favorable terms as H.R. 3835 provides, and they cannot pay the interest.

The farmers' union knows that this Government has loaned millions of dollars to steamship companies with interest rates of less than 1 percent and on as much as 20 years' time, and that this Government has settled with foreign countries, involving many billions of dollars, on a basis of canceling the principal, and with interest rates as low as 1½ percent to some of the countries, to be paid in 62 years. Then the debt is completely wiped out. The farmers' union knows that the Government has loaned other institutions millions of dollars on as long as 10 years' time, on as low a rate of interest as one eighth of 1 percent per annum.

These facts John A. Simpson has called to the attention of the Members of Congress and to the farmers of this country.

FRAZIER BILL WANTED BY FARMERS

The Frazier bill, providing for refinancing of farm mortgages on a basis of 1½ percent interest and 1½ percent payment on the principal each year until the debt is paid, is the bill which the Farmers' Union and the Farmers' Holiday Association want. There is no doubt about it. They have made their demands known in the past, and Mr. SIMPSON has recently called this fact to the attention of Congress again. Mr. SIMPSON tells us that there are more farmers who know about this bill than any other bill that is now pending in Congress. The legislatures of 20 States have memorialized Congress to pass it. They are: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Wisconsin. They want it passed, and Mr. SIMPSON is pleading with the Members of this House to sign the petition now on file with the Clerk of the House. He is pleading to get this bill to a vote and passed at the earliest possible moment.

JOHN BOSCH ASKS FOR SIMPSON AMENDMENT

I have this day received a telegram from John H. Bosch, president of the Minnesota Farmers' Holiday Association, and Walter Groth, secretary of that organization, stating that 3,000 Minnesota farmers assembled in annual convention of the Holiday Association voted to declare a national farmers' holiday. They demand that the Frazier bill be taken out of the committee and voted upon. They demand that the Simpson-Norris amendment in H.R. 3835 be kept in that bill. They demand that money issued under the refinancing provisions of that bill not be based on interest-bearing tax-exempt bonds but that the funds with which to liquidate and refinance existing farm mortgages be provided by the issuing of farm-loan bonds by the Federal farm-loan system through the Federal Farm Loan Board

and Federal land banks—bonds secured by mortgages on farms and chattel mortgages on livestock.

These are the demands of the farmers of this country. They are demands the Farmer-Labor Party of Minnesota stands ready to meet. These farmers' organizations know what the farmers need. They are not asking for profit; they are asking only for cost of production for their products. They are asking for the refinancing of their mortgages on an interest rate allowed by this Government to foreign countries. They have declared that they must have the Simpson amendment, and they have declared that the Frazier bill must be taken out of the committee. I ask the Members of this House to heed those demands. Let us all march up to the Speaker's desk and sign the farmers' Frazier-Lemke bill.

Mr. HART. Mr. Speaker, I am voting to retain the cost-of-production plan, better known as "the Simpson plan", not because I believe it will be a success if the Department of Agriculture attempts to put it into effect but because it is requested by more farmers than have requested any other proposition contained in the bill. The fact is that most of the actual farmers are opposed to the allotment or rental plan contained in this bill. I am voting to retain the cost-of-production plan because if it is not included in this bill and given some sort of trial, agricultural stability will again be endangered at the next session of Congress by some more legislation probably along this line. I think inasmuch as this is an omnibus farm bill, including everything in it except the Ten Commandments, we might as well include the cost-of-production plan.

Inasmuch as there are several plans included in the bill, if I were writing this legislation as an experiment, I would include every nostrum that has ever been offered the farmer, so that when we meet at the next regular session some farm leader could not be here holding out a "pot of gold at the end of the rainbow." I would include the export debenture and the equalization fee along with the cost of production, and then hope that these agencies that have advised the farmer for the past 10 or 15 years would run out of ideas and let those of us who desire to farm alone.

RECORD TYPE

Mr. BLANTON. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, for the first time within my knowledge in the history of the Congress an important address of the President of the United States was printed yesterday in the RECORD in small, 6-point type. I do not think that ought to go by without correction. It has always been the custom of the House and of the Senate that whenever an address of the President of the United States is printed in the RECORD, to print it in regular 8-point type. I do not know how it got by, or how it came to be in there in 6-point type.

Mr. RANKIN. Mr. Speaker, I asked unanimous consent on yesterday to insert it in the RECORD. I sent it down to the Printing Office, and the Printing Office printed it in that size type to which the gentleman refers.

Mr. BLANTON. And it ought to have been put in there in regular 8-point type under the custom and usages of this House.

The SPEAKER. The Joint Committee on Printing has entire control of the arrangement and style of the CONGRESSIONAL RECORD. That is the law.

Mr. BLANTON. But that is the first time in the history of this Congress that an address of the President of the United States has been accorded so little consideration.

The SPEAKER. That is a matter to take up with the Joint Committee on Printing.

Mr. BLANTON. I expect to take the matter up with that committee.

FARM RELIEF

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H.Con.Res. 18) for the purpose of correcting a word in the bill.

The Clerk read the concurrent resolution, as follows:

House Concurrent Resolution 18

Resolved by the House of Representatives (the Senate concurring). That in the enrollment of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, the Clerk of the House is authorized and directed to strike out the word "basic" where it appears in subsection (3) of section 8.

Mr. SNELL. Reserving the right to object, I should like to have the gentleman from Texas make a short explanation of why it is necessary to do this.

Mr. JONES. The reason for presenting this resolution is this: In the section preceding, which provides for trade agreements, the word "basic" has been stricken out. Trade agreements may therefore be made in reference to any agricultural commodity, regardless of whether it is classed as basic.

In carrying out these trade agreements it may be necessary to use the licensing features. In the provision for licensing which is contained in the following section this word "basic" is found. Its effect is to limit the paragraph to the commodities named in the bill. It seems that as "basic" has been taken out of one section, it should be taken out of the other.

In the immediately following section we struck out the word "agriculture." The word "basic" being in both bills, we were not privileged to take it out in conference. It would simply make it harmonize with the trading-agreement section, thus enabling them to carry out their trading agreements without being handicapped by a limitation on the commodities which might be covered.

Mr. SNELL. Then it is necessary to do this in order to make it correspond with other sections of the bill?

Mr. JONES. That is correct.

The SPEAKER. Is there objection to the present consideration of the resolution?

The resolution was agreed to.

IMPEACHMENT PROCEEDINGS AGAINST UNITED STATES DISTRICT JUDGE LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the managers on the part of the House in the Louderback impeachment matter may be excused from attendance upon the sessions of the House until the conclusion of the trial before the Senate in that matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MUSCLE SHOALS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5081) to provide for the common defense; to aid interstate commerce by navigation; to provide flood control; to promote the general welfare by creating the Tennessee Valley Authority; to operate the Muscle Shoals properties; and to encourage agricultural, industrial, and economic development, disagree to the Senate amendments, and ask for a conference.

Mr. Speaker, pending that I desire to make a statement. The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I desire to make a short statement. The President invited Senator NORRIS and myself to the White House this morning for a conference. The President indicated in very unmistakable terms his desire that this bill should go to conference promptly and that the conferees should agree as speedily as possible and report their conclusions in order that there may be prompt legislation on the Muscle Shoals problem.

Mr. RANKIN. Mr. Speaker, as the House knows, I was prepared to offer a motion to instruct the conferees to agree to the Senate bill—the Norris bill. Many Members had asked for and been promised time to speak in favor of my motion, and I believe we had enough votes to pass it. The Speaker had kindly agreed to recognize me for that purpose. But I have just had a talk with Senator NORRIS and I am prepared to say to the Members of the House who agree with

me on this measure, that this agreement reached between the gentleman from South Carolina, Senator NORRIS, and the President carries with it an understanding that the conferees are to accept the principal provisions of the Norris bill. [Applause].

There are some other minor amendments that will be ironed out in conference.

Therefore I have agreed to consent to the bill going to conference and to withholding my motion to instruct the conferees. We have secured the desired result under this agreement.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. SNELL. The gentleman was facing the other way and I did not understand all he said. Did the gentleman say that the President is in favor of the provisions of the Norris bill?

Mr. RANKIN. He is in favor of the principal provisions of the Norris bill, yes.

Mr. SNELL. May I ask the gentleman who was at the conference at the White House this morning which one of these two bills the President favors. The President favors the principal provisions of which one of the bills?

Mr. McSWAIN. Mr. Speaker, the gentleman knows that as I am going to conference and as I ought not to disclose the details of the conversation with the President, I should not answer his question categorically.

Mr. SNELL. I thought the gentleman started to disclose them.

Mr. McSWAIN. The President indicated his will with regard to the main provisions in this bill. In my humble view, there never were many very substantial differences. There was a little difference in regard to fertilizer.

Mr. SNELL. I thought there was quite a substantial difference.

Mr. McSWAIN. There was also some difference in regard to transmission lines. I am quite sure that if the House will give us the opportunity, it will be a matter of only a few days before we will report back a bill that will be accepted overwhelmingly.

Mr. SNELL. Is the gentleman from Mississippi right in his statement or not?

Mr. McSWAIN. The gentleman from Mississippi had a talk with Senator NORRIS over the telephone, as I understand.

Mr. RANKIN. From the White House.

Mr. McSWAIN. I am trying not to get into any trouble between Senator NORRIS, the President, and the gentleman from Mississippi. I am asking the House to entrust their conferees with the responsibility of bringing in proper legislation.

Mr. SNELL. Both gentleman have quoted the President in regard to this bill. Which is correct?

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BLANTON. I wish the gentleman from South Carolina would inform our friend the distinguished gentleman from New York that in due time he will find out just exactly how the President feels on this matter.

Mr. SNELL. I thank the gentleman.

Mr. RANKIN. Mr. Speaker, let me say to the gentleman from New York, if it is any consolation to him, he is pretty familiar with my views and with Senator NORRIS' views. Both of us are entirely satisfied with this agreement.

Mr. SNELL. I wish someone could speak with authority as to what the President's position is, as long as he has been brought into this argument.

Mr. McSWAIN. Mr. Speaker, the gentleman from South Carolina tries to observe the proprieties which should prevail in such circumstances. I have not tried to quote the President except to say to the House that the President wishes us to go to conference immediately.

Mr. McFADDEN. Mr. Speaker, reserving the right to object, I wish to ask the gentleman a question. Inasmuch as he reports an agreement, are those provisions still in

the bill, and will they remain in the bill, which permits the turning over of this power to private interests?

Mr. McSWAIN. The bill has not yet been written in full in conference. The gentleman will have the fullest opportunity to disagree to the conference report.

Mr. McFADDEN. I asked the gentleman a question.

Mr. McSWAIN. The gentleman has read both bills with regard to the right of the authority to sell power; and, as I told the gentleman when the matter was under discussion before, the authority can sell power to anybody under the sun.

Mr. McFADDEN. Then these so-called "power interests" who have been trying to get control of Muscle Shoals all these years will have that opportunity when this bill passes?

Mr. McSWAIN. No; if they get power, they will pay for it, but they will not get Muscle Shoals.

Mr. McFADDEN. I understand they will pay for it.

Mr. SNELL. Will the gentleman yield for one more question?

Mr. McSWAIN. I yield.

Mr. SNELL. A few days ago the House expressed itself as to whether it was in favor of the House bill or the Norris bill. Will this have any influence on the conferees when they are considering this matter?

Mr. McSWAIN. The gentleman knows that the Senate has amended what was then proposed as a substitute for the House bill by way of a motion to recommit in 32 different respects, and, of course, the question as related to the motion as the bill then existed is not pertinent at this time. I am sorry, therefore, I cannot commit the conferees, in advance, as to what they will do.

Mr. RANKIN. Let me say to the gentleman from Pennsylvania [Mr. McFADDEN] that my understanding is they are to accept the provisions of the Norris bill with reference to the distribution of power.

Mr. McSWAIN. The gentleman is doing his own talking.

Mr. McFADDEN. Let me ask the gentleman if these private power interests would have the right to get the excess power. I may say to the gentleman that at one time I know that one of these interests was willing to pay \$80,000,000 to get this right, and deposited the money. I am wondering whether under this particular bill that is coming out they are going to get this right for nothing.

Mr. RANKIN. The gentleman need not be uneasy. The people's interests will be protected under this agreement.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McSWAIN]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McSWAIN, HILL of Alabama, and JAMES.

SALE OF SECURITIES

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5480) to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails and to prevent frauds in the sale thereof, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RAYBURN, HUDDLESTON, LEA of California, PARKER of New York, and MAPES.

CONTESTED-ELECTION CASE—GORMLEY v. GOSS

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives, which was read and referred to the Committee on Elections No. 2 and ordered printed:

WASHINGTON, D.C., May 9, 1933.

The SPEAKER,

House of Representatives, Washington, D.C.

SIR: I have the honor to lay before the House of Representatives the contest for a seat in the House of Representatives for the Seventy-third Congress of the United States for the fifth district of the State of Connecticut, Martin E. Gormley against Ed-

ward W. Goss, notice of which has been filed in the office of the Clerk of the House, and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases", such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee which, together with an abstract thereof and copies of the briefs of the parties, will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

UNEMPLOYMENT RELIEF

Mr. DRIVER. Mr. Speaker, I call up a privileged resolution from the Committee on Rules.

The Clerk read as follows:

House Resolution 135

Resolved, That upon the adoption of this resolution the House shall proceed to the consideration of the conference report on the bill H.R. 4606, and all points of order against said conference report shall be waived.

Mr. DRIVER. Mr. Speaker—

Mr. RANSLEY. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. I yield.

Mr. RANSLEY. We would like to have the usual 30 minutes on this side of the House.

Mr. DRIVER. The gentleman will be yielded 30 minutes of the hour.

Mr. Speaker, when the bill H.R. 4606, introduced by the gentleman from Maryland [Mr. LEWIS], was before the House some days ago, the bill being known as the unemployment relief bill, it contained the following language:

The administrator may appoint and fix the compensation of such experts and, subject to the provisions of the Civil Service laws, appoint and, in accordance with the Classification Act of 1923, as amended, fix the compensation of—

And then followed the employees necessary to administer the relief in accordance with the provisions of the bill.

On motion in the House this clause was eliminated from the bill and the bill was sent to the Senate, so amended. In the Senate the language stricken by the House was inserted and the bill was sent to conference with this difference between the two Houses.

The conferees have agreed upon the following amendment in the adjustment of the differences between the two Houses:

The administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to the Civil Service laws or the Classification Act of 1923, as amended.

In other words, practically reinserting in the bill the language of the House as transmitted to the Senate.

There is no question but what this amendment is subject to a point of order without a rule, and therefore it is necessary to submit this rule to the House in order to test whether or not you were in earnest when by your vote, during the pendency of the bill, you eliminated this language from it. There is no doubt of the fact that the purpose of the amendment was to remove from the personnel charged with the administration of this law the provisions of the Civil Service laws.

Your vote on this rule will endorse the elimination of the provisions of such law and remove the personnel selected by those whose duties and responsibilities will be to administer the act therefrom.

The House has already expressed itself, and therefore it is entitled under the rule to determine whether it is its purpose and desire to adhere to its former action.

The only opposition will come from those who believe in the adherence to the Civil Service law in all legislation and that it should be applied to the personnel to be selected for the administration of this law. There is no question the House action is the usual method employed in all relief measures we have passed in recent years.

Personally I do not believe that it should so apply. When we passed the Reconstruction Finance Corporation Act there was no suggestion by those in charge that this should be continued in the law. We have passed several measures in the House creating certain agencies where there was no such provision with reference to the Civil Service law. So I say that the precedents are entirely with the House in regard to the application of the Civil Service rules.

There is another feature with regard to this particular bill. We have created in many States of the Union voluntary organizations for the administration of relief laws. These organizations are functioning today, and they are prepared through their experience as well as character to perform administrative duties. It is said that they would relieve much expense in connection with the administration of the law. Personally I think we should employ these voluntary organizations, and in doing so effect necessary economies of administration. But that is for the House. If you care to adhere to the former act, this gives you an opportunity to do so.

Mr. MAY. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. MAY. In other words, the adoption of this rule makes it possible to administer the law and employ people to carry into effect the provisions regardless of whether they have a Civil Service status or not?

Mr. DRIVER. The gentleman is correct. I want to say further that the amendment you adopted did not fully effectuate your purpose. This conference agreement does. I realize, as a matter of fact, that when you vote to eliminate the language I have read your purpose was to relieve the personnel from the exactions of the Civil Service law and remove the salary provisions as fixed by the act of 1923.

Mr. BACON. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. BACON. As the bill was introduced it was approved by the President and it contained a provision for employment under the Civil Service.

Mr. DRIVER. The gentleman is correct.

Mr. BACON. Can the gentleman say whether the President has disapproved taking it out?

Mr. DRIVER. I have had no expression from the President one way or the other. I have nothing to indicate that he has ever expressed himself in regard to this particular matter. I will say that the provision was incorporated in the bill by the drafting service that frequently employs the usual language in the preparation of bills.

However, that is only my opinion. The gentleman who had charge of the bill, the chairman of the committee, may make an explanation that will be more complete than that that I offer. My own is based on my own opinion.

I reserve the remainder of my time and yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. OLIVER of New York). The gentleman will state it.

Mr. MAPES. I should like to know whether the bill as it passed the Senate is in printed form so that Members can obtain a copy of it. The only copy that I have been able to get is the copy of the bill as it was reported by the Senate committee. It does not have the amendments numbered as the conference report numbers them.

The SPEAKER pro tempore. The information the Chair receives is that there are no available copies now of the bill as it passed the Senate. The gentleman may examine the official copy on the Clerk's desk, if he cares to do so.

Mr. MAPES. In order to act intelligently the Membership generally ought to have a chance to look it over as it passed the Senate.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BRITTEN. I think the House ought to know definitely just how the bill as passed by the Senate differs, if at all, from this copy which is now being distributed to the

various Members of the House. The mere reading of the resolution from the Committee on Rules gives us no information.

The SPEAKER pro tempore. The gentleman is asking for general information, not propounding a parliamentary inquiry. The Chair suggests that, due to the fact that we have no copy of the bill as passed by the Senate, the debate will probably give the gentleman the exact information desired.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I hope the Democratic Party does not intend to stultify itself this afternoon by taking this extreme method of getting a few patronage jobs. Never could there be a more inopportune time to break down the Civil Service regulations than at the present moment. Thousands of men and women, Republicans and Democrats alike, from every State in the Union, are being furloughed, and this afternoon we are asked by means of a special rule to place positions in unemployment relief under political patronage. Instead of efficiency we are to place favoritism as the guide for appointment, and at the same time faithful employees of years' service under the Civil Service are turned out. I do not believe that the American public will support this policy any more than they are supporting the drastic regulations which have unexpectedly emanated from the Veterans' Bureau. Many worthy veterans injured in battle or suffering from disease incurred in the service of their country are being harshly and unjustly treated. I believe the American people believe in the Civil Service, and personally I do not believe that the President of the United States is in favor of what we are asked to do today. When this measure came before the House it contained the Civil Service provisions. The provision was eliminated in the House, and if I am any judge of the past record of the President, I believe he would be the last man to ask you to do what is being forced through by a special rule. I believe you gentlemen on the Democratic side are making a lot of trouble for yourselves by adopting this resolution. If you are not careful, you will be obliged to issue a second edition of that best seller of 1933, the book which contains the patronage jobs. I ask you to think seriously of what you are doing in striking down the Civil Service laws, which Democrats as well as Republicans have supported for many years.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. ALLGOOD. Would the gentleman even admit that the Democrats could pass a Civil Service examination?

Mr. MARTIN of Massachusetts. Of course, in the past I believe a good many of the outstanding Democrats of the country have stood stalwartly for the Civil Service, and the Democrats should follow their example, and if they do it will be the act of wisdom.

Mr. ALLGOOD. Under the Republican administration Democrats could not even pass a Civil Service examination.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, a copy of the bill as it passed the Senate is not before the House of Representatives, so that it is a little difficult for Members who have not had their attention called to the matter before to know exactly what is before the House. This is the situation; the question really before the House is this: Is the House for the Civil Service or is it for the spoils system? Those who favor the spoils system will vote for this resolution and those who believe in the Civil Service will vote against it.

Why is it necessary to bring in this rule? What does it do? Speaking generally, this is the situation.

As the bill was reported to the House by the House committee, it contained an express provision that the personnel necessary to administer this law should come under the classified Civil Service, but on the floor of the House that provision was stricken out. The Senate reinserted it. But—

and this is the point—it is not necessary to put that express provision into the act in order to bring the personnel under the Civil Service. They would come under it under the existing law and regulations unless taken out by express provision. The conferees therefore found themselves in the position of being unable to take the employees out of the Civil Service by simply eliminating the Senate amendment. They were obliged to go outside the scope of their authority in order to carry out their purpose.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. MAPES. I cannot yield at present. I will yield to my colleague later, if I have time.

The conferees, in order to put into effect the "spoils" system, had to incorporate in the conference report a provision of their own, going entirely outside the scope of the conference. This they did. That is the reason this rule is necessary, so that this provision in the conference report that otherwise would not be in order, may be made in order.

I yield now to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Is it possible that the gentleman's views are somewhat influenced by the result of the election last November? [Laughter and applause.]

Mr. MAPES. Not at all. I am glad my friend has asked that question, because otherwise I might not have made this statement as definitely as I shall do now and as I intended to do when I took the floor. In fact, the main purpose I had in taking the floor was not to discuss at length the merits of this legislation, but to express very briefly my own position. I have been an advocate of the Civil Service ever since I entered public life, and I do not like to see it torn down. It was for the purpose of expressing my own position, largely, that I took the floor at all.

Mr. WEIDEMAN. Will the gentleman yield now?

Mr. MAPES. I yield.

Mr. WEIDEMAN. I am a new Member, and I do not know very much about the working of this; but I wonder if the thousand employees of the former Republican Senator Smoot and 600 of the former Republican Senator Moses got in under Civil Service, or how did they work that?

Mr. MAPES. I will say that as a new Member the gentleman is learning very fast.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. MAPES] has expired.

Mr. RANSLEY. I yield 2 additional minutes to the gentlemen from Michigan.

Mr. MAPES. I do not want to take in too much territory. I am not here either to criticize or to commend the attitude of other men on this question, but I took the floor largely to inform the membership of the House just what was involved and to express my own belief in the Civil Service.

I yield back the balance of my time, Mr. Speaker.

Mr. DRIVER. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, when this bill was in the House I offered an amendment which struck out the language referring to the Civil Service and Classification Act. When the bill got into the Senate they said my amendment did not perfect the bill at all—it left the Civil Service just as it was at that time. I must plead guilty to the fact that I was not informed as to all the law on Civil Service matters, and I find that if we pass the law creating the positions and we do not exempt the Civil Service and Classification Act from it, they will automatically take charge of it under the act of 1923. Therefore the Senate replaced the language stricken out by the House. Before it went to conference I conferred with the Comptroller, and he said that in order to carry out the intention of the House there should be a provision inserted declaring that the administrator could appoint those to administer the affairs of this bureau, notwithstanding the Civil Service or the Classification Act.

Of course, that was new legislation, more or less, but the conference committee agreed upon it. The Senate conferees unanimously agreed and the Senate adopted the report. We are only asking for approval and confirmation by the House

to exempt the Civil Service employees from administering this law.

Mr. MAPES. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. MAPES. I did not quite understand the gentleman. The Senate put in a provision indicating its belief in the civil service?

Mr. FULLER. No; they did not. They put back the very language that we took out by my amendment, and in doing so the gentleman who made the motion and the argument, Senator LA FOLLETTE, of Wisconsin, said that the bill was no better with the language taken out by the House amendment, so they might as well put it back; but there never was any argument as to whether or not they thought it should or should not be administered by the Civil Service. As a matter of fact, Senator WAGNER agreed to my amendment before I introduced it in the House.

Mr. MAPES. But the point I was trying to make is this, that by the action of the Senate we have a right to conclude that the Senate favored the Civil Service law and regulation.

Mr. FULLER. Yes; that is true in one sense.

Mr. DRIVER. That would be subject to this qualification, however, that the Senate has now adopted the conference report with the language before the House.

Mr. FULLER. Yes; and absolutely exempted the administration of this law from the Civil Service and the Classification Act.

Mr. GLOVER. Will the gentleman yield?

Mr. FULLER. Yes.

Mr. GLOVER. Much has been said about the Civil Service. When this is adopted people under the Civil Service and those outside may be employed alike?

Mr. FULLER. Yes.

Mr. GLOVER. It does not discriminate against those in the Civil Service?

Mr. FULLER. It does not bar them, but it puts them on an equality with the unemployed all over this country, and gives all an equal opportunity.

Mr. GLOVER. If this is not in the bill, then the Civil Service would take all the work and those on the outside would not get any?

Mr. FULLER. That is correct.

Mr. COX. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. COX. Has the gentleman in his experience found that the Civil Service law has been administered entirely free of politics?

Mr. FULLER. We know it has not.

Mr. COX. In other words, is it not the gentleman's experience that the Civil Service is responsible for more inefficiency, more deadheads, and more disloyalty to the Government than anything Congress has ever done?

Mr. FULLER. I will not say that the Civil Service system is accountable for it, but I will say that that condition exists to a certain extent.

Mr. COX. Politics always control in the findings made by the Commission?

Mr. FULLER. That is correct.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. FULLER. Yes; I yield.

Mr. GOLDSBOROUGH. As a matter of fact, is not this legislation of an emergency and temporary character, anyway?

Mr. FULLER. I am going to discuss that. I thank the gentleman for calling it to my attention. The gentleman from Illinois wished to ask me a question, I think.

Mr. BRITTEN. What I wanted to determine was how the language which has been agreed upon by the conferees differs from the language in the bill that was passed by the House.

Mr. FULLER. Here is an exact history of it. Read this [indicating] and it will show you exactly what it is.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield.

Mr. HASTINGS. I thought the language in the conference report was the same as the gentleman's amendment.

Mr. FULLER. The language of the conference report is to the effect that the appointments may be made and the compensation fixed without regard to the Civil Service laws or the Classification Act of 1923.

There is no disposition whatever on the Democratic side of the House to try to reflect upon the Civil Service; not a bit in the world. As a matter of fact, the Democratic administration during the terms it has been in power since the Civil Service was created has been more friendly toward it and has done more for it than the Republican administration. We have not played politics with it like they have. Why, you say, this is a partisan matter. Before the late Chief Executive, ex-President Hoover, went out of office he put 30,000 Republicans in office by Executive order, transferring them to Civil Service in order that we could not reach them by appointment when we came in. [Applause.]

I am friendly to the Civil Service. I think it is a wonderful thing. For 4 years I have served on the Civil Service Committee, and the employees of the Civil Service Commission know I am a friend of Civil Service and would do anything in the world to help them or anybody else seeking to make working conditions better.

The men who drew this bill were under Civil Service and they wanted to put these jobs under Civil Service. This bill provides half a billion dollars to care for and feed the hungry, clothe the naked, and take care of the poor and distressed in this country; and they wanted all the jobs under this bill placed under Civil Service notwithstanding the fact that throughout the entire duration of this panic the one class of citizens in the United States who suffered least by reason of the panic is the Civil Service employees in the city of Washington, the richest city in the world.

This bill is designed to grant relief to the unemployed and those in distress. Why should they not have some of the jobs that will be created under it? The jobs will not necessarily go to Democrats alone. In those States where there is a Republican governor and a Republican administration they will take charge of the administration of the funds that will be turned over to them, as they have taken charge of the matter in the past.

In the cities and townships of my State we have charity organizations and people who volunteer to give their services for nothing, yet if you allow this provision to remain in the bill requiring it to be administered by the Civil Service, no one will hold a job except he is paid a salary of \$1,440 a year as a minimum. The salaries will run from that up to \$9,000.

Mr. LUDLOW. In Indiana we have a relief organization under our efficient Governor. Is it not true that in every State of the Union there is at the present time a relief set-up that can be utilized to carry out the provisions of this bill?

Mr. FULLER. Absolutely. So, Mr. Speaker, there is nothing to the idea that my good friend from Massachusetts injected into this argument that this is a question of the spoils system; not at all. There is nothing political about it. Those who try to make it so I refer to the actions of the last Republican administration. The Republicans established the Reconstruction Finance Corporation and provided that they could appoint whom they pleased, and appointments have been made by the hundreds, by the thousands, a great portion of them drawing \$8,000, \$9,000, and \$10,000 a year. They are not under Civil Service.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield.

Mr. LOZIER. When the Republicans enacted the Reconstruction Finance Corporation law they did not put the employees under the Civil Service; and is it not true that when the last decennial census was taken the bill providing for it, passed by a Republican Congress, exempted the men in the field service from the provisions of the Civil Service law, and thousands of men and women were appointed in taking the census, 99 out of every 100 of whom were Republicans?

Mr. FULLER. I wish the gentleman had mentioned this when my good friend from Michigan was speaking. I

remember when the act came into existence. Down in my country there are lots of townships where you cannot find a Republican. If they could not find a Republican in the township, they would import a Republican, or they would consolidate two townships; but they would not appoint a Democrat. That is what they did with even those little 2-by-4 census positions. Small-town cheap politics. They took the jobs under that bill out of Civil Service, and that is the way they carried it out.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield.

Mr. MARTIN of Massachusetts. The gentleman should remove to some other part of the country where they believe more in the two-party system.

Mr. FULLER. Then I would have to go to Massachusetts, to Michigan, or some place like that.

[Here the gavel fell.]

Mr. BACON. Mr. Speaker, this is an important matter. I make the point of order there is not a quorum present.

The SPEAKER pro tempore (Mr. OLIVER of New York). The Chair will count. [After counting.] Two hundred and nineteen Members present; a quorum.

Mr. RANSLEY. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, gentlemen who have spoken have, in part, explained this peculiar situation, but have on both sides missed what seems to me the important point.

The other day the House sought to take out from under the Civil Service the personnel to be employed in carrying out the so-called "Wagner-Lewis bill." Its failure so to do has some humorous aspects. I do not wish to embarrass my good friend from Arkansas by going into that in detail. It rarely happens in the House, however, that the House is persuaded to do precisely the opposite of what it meant to do. The gentleman who made the motion the other day continues in his misunderstanding of the real point at issue. He has failed, as has some of the other speakers, to examine the law in question. It is contained in part of a sentence which I will read for the general information, the first sentence of the Civil Service law:

The President is authorized to prescribe such regulations for the admission of persons into the Civil Service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of service into which he seeks to enter.

This is the function of the President of the United States. We have been so dazed in these last few weeks by the transfer of authority from the legislative branch to the executive branch that we have forgotten this practice was begun at least 50 years ago.

So the question the other day was not whether we should of our own initiative and on our own responsibility as a new matter determine the administration of the Civil Service law, but the issue was whether we should take away from the President power now in his hands.

As the bill was written it said in effect that we were to take away from the President certain power. We proposed that he should not, in this particular instance, be able to exclude anybody from the Civil Service requirements. We abridged his power, we lessened his power, we diminished his power by the bill as it was reported from the Committee on Banking and Currency to the House.

When the matter came up for debate the House was not informed of the facts. The gentleman from Arkansas, I believe quite unintentionally, refrained from disclosing that the issue here was not, primarily, Civil Service, but the power of the President. So he proposed to remove from the bill a superfluous provision in the bill, superfluous in part at any rate, and the House saw fit to approve the removal of this provision, and thereby the House is to be assumed to have intended, though it failed, to secure that the President would be refused the right to apply the Civil Service regulations to this particular class of personnel.

The bill went over to the Senate, and there the Senate also took away power from the President, but the precise opposite of the power the House thought it had taken away, because the Senate said in effect: "We will take away from the President the power to keep them out of the Civil Service." So if the position of the House had been put into proper and adequate language, and if what the gentleman from Arkansas tried to do had been accomplished, you would have had the House forbidding the President to let them in, you would have had the Senate forbidding the President to keep them out, two diametrically opposite proposals. When the matter came into the committee on conference it was manifest that the House had acted illegitimately. Of course, I mean to convey no invidious idea in that word.

The committee of conference discarded the Senate proposal and then went beyond the scope of what on the face of it was in disagreement between the two branches. The conferees transgressed the rules by reporting to the House what the gentleman from Arkansas and a majority of the House sought to accomplish.

So the issue at the moment is this: Do you want to forbid the President to keep the agents and employees of the new bureau out, do you want to forbid the President to keep them in, or do you want to let the law stand and leave its application to the judgment of the President?

This brings the matter to a somewhat more than ordinary crisis. It is an exceptional situation, a phenomenal situation, a situation that history will record, because for the first time in the memorable 2 months since the 4th of March the House will consciously have said that we are going to shear the President of power. We are probably going to forbid him to use his judgment as to whether or not these officers and employees should or should not be chosen under the merit system. So I am bringing the issue home to you straight. Are you going, as the Civil Service law says, to leave this to the judgment of the President, or are you going to insist that you know more about it than he does; that your judgment is likely to be wiser; that you can reach a more sane conclusion?

Gentlemen have not asked themselves this question in 2 months. Today, for the first time, they are going to ask themselves that question. Are they going to leave this to the President or are they going to follow their own fancy, whim, prejudice, or what not?

So the primary question is whether gentlemen on my right are or are not at last going to desert their leader, whether they are or are not at last going to exercise their own duty as Representatives, whether they are or are not at last going to carry their brains under their own hats. That is the question they will decide today, and I am uttering these sentences that the country may know whether the Democrats of the House have at last decided to do their own thinking. [Laughter.]

Now, then, let us come to the further question, that involving the Civil Service. One hundred years ago, Andrew Jackson, the patron saint of the Democratic Party, was President of the United States. He had come into power in 1829; and if you desire to read a page of misery, a page of suffering, a page of injustice, read the story of office seekers that crowded this city and successfully thronged the offices of the President and the Members of Congress belonging to his party.

One hundred years ago last December William L. Marcy, of New York, then a Senator of the United States, coined a phrase which since then has been the slogan and watchword, the chief thing in the very bible of politicians—and I am using the term "politicians" in its ignominious sense. He declared in the Senate, "To the victors belong the spoils of the enemy."

That doctrine implanted in the public life of America by Andrew Jackson and William L. Marcy grew like a poisonous mushroom. All political parties accepted it. All nourished it. Steadily the public service grew worse.

Fifty years after Marcy spoke, in 1882, 50 years ago, the country awoke to the truth, to the danger. Then George

H. Pendleton, Senator from Ohio, delivered in the Senate a speech you will find in at least one of the volumes that comprise the great speeches of our political history.

That speech awakened the conscience of his own party, the conscience of the other party, the conscience of the people, and destroyed, for the time being at any rate, the poison that was threatening the very life of the Republic.

You say that I am extravagant? I will presently show you that such were Pendleton's words almost precisely.

When the bill he had introduced was before the Senate, he disclosed that one bureau of the Treasury, the Bureau of Engraving and Printing, had 958 employees, of whom more than 500—if I remember aright, 531—were absolutely superfluous and had been discharged. In one office they found 20 messengers doing the work 1 could do. They cut down the appropriation for the Department from \$800,000 to \$200,000. That was typical of what the spoils system had done first for one party and then for another, as they succeeded each other in control.

It was the speech of Senator Pendleton that did most to secure the passage of the law of which I have read the first sentence as it now stands. In its course he reminded the Senate that Jefferson on taking office in 1801 had established fidelity, capacity, and honesty as the tests. I know how unfashionable it is now to quote Thomas Jefferson. The gentlemen on my right have forsaken his doctrines, trodden on them, turned their backs on them, and now of Thomas Jefferson it may be said that on my right "there is none so poor to do him reverence." Ah, they worship now at the altar of Andrew Jackson, and it is idle for me to repeat these words of Jefferson to men who have forgotten even his existence.

Mr. Pendleton further said that—and here I venture to read in order that I may be correct—describing the condition to which the conduct of Government had been brought by the belief of Jackson and the utterance of Marcy "To the victors belong the spoils."

I do not say that the Civil Service of the Government is wholly bad. * * * But I do say that the Civil Service is inefficient; that it is expensive; that it is extravagant; that it is in many cases and in some senses corrupt. * * *

This whole system demoralizes everybody who is engaged in it. It demoralizes the clerks who are appointed. That is inevitable. It demoralizes those who make the appointment. That also is inevitable. And it demoralizes Senators and Representatives who, by the exercise of their powers as Senators and Representatives, exert pressure upon the appointing power.

Mark you, these words of a great Democrat, a man incorruptible and fearless, a champion of the welfare of the country:

I believe that the existing system which, for want of a better name, I call the "spoils system", must be killed or it will kill the Republic. I believe that it is impossible to maintain free institutions in the country upon any basis of that sort.

I believe the spoils system to be a great crime. I believe it to be fraught with danger. I believe that the highest duty of patriotism is to prevent the crime and avoid the danger.

And so, if you do not care to decide this question today upon the issue of whether you will trust your President, turn to these words, dwell upon them in your minds, let them appeal to your judgments, and to your conscience, and do not now, when first the opportunity squarely presents itself, say that it is your wish to return to that system which menaced the very life of the Republic itself.

It is not prudent for you to do that.

Furthermore, it is not for your individual interest to do that. At luncheon this noon I sat next to a fellow Member who told me he had 167 postmasters in his district, and he was bewailing his sad lot and the trouble they had caused him through the years of his service. Ask any one of the older Members here who has had a share in these appointments and secure from him his own judgment as to the personal benefit of this system. If you are to be selfish in this matter, then you ought to turn your backs against every proposal to burden you with more office seekers. We, who have been here long, know that what has been said is true, that every time we secure an appointment we make 1 ingrate and 20 enemies. That is an old saying, but it

continues to be true in the experience of every man in public life. So, for selfish motives as well as public interest, I pray you forswear a return to this system, which seemed to one of the great Democrats in our time the greatest menace to the very existence of the Republic.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I yield.

Mr. SISSON. The gentleman was speaking a moment ago of a great Democrat, Thomas Jefferson; and with all the admiration and respect that I possess for the gentleman from Massachusetts [Mr. LUCE], I admire him still more because of his devotion to the apostle of the Democratic Party, and may I ask the gentleman if he ever heard these words of Thomas Jefferson, speaking of officeholders, in respect to their qualifications: "First, is he capable; second, is he honest; third, is he a Democrat?"

Mr. LUCE. The gentleman has altered what I attributed to the first Democratic President. If the gentleman desires to know what Senator Pendleton averred that Mr. Jefferson actually said, I will repeat the words as used by Mr. Pendleton in his speech: "Fidelity, capacity, honesty." They were the tests used by Jefferson. My friend for the word "fidelity" substituted "Democrat." Of course, I will grant that they are synonymous.

Mr. SISSON. I refer the gentleman to Jefferson's whole works for the fact.

May I ask the gentleman—and I say this with all respect to him, and I have admired the very eloquent speech of the gentleman—if a reading of the CONGRESSIONAL RECORD will disclose an equally eloquent speech upon the same subject, carrying admonition to the gentleman's own party when that party was in power?

Mr. LUCE. As far as I can recall, this is the first time since I have been a Member of the House that the question has come before the House squarely, or even in such a way as to warrant taking the floor in the matter.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. O'CONNOR. The gentleman was here, I am quite sure, when we had a vote as to putting the employees of the Census under Civil Service. As I recall, looking at that side of the House, I did not see the gentleman stand up against that "spoils" system under the Fifteenth Census.

Mr. LUCE. If I failed to stand up at that time, it was one of the numerous sins that I have committed. [Laughter and applause.]

Mr. KVALE. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. KVALE. Will not the gentleman state for the RECORD what he has already implied; that is, that this entire system of patronage, the so-called "spoils" system, is just a polite but very effective form of bribery?

Mr. LUCE. I do not quite understand the gentleman. Our minds fail to meet. [Laughter.] But if my notion of his thought is correct, I agree with him.

Now, Mr. Speaker, I wish to thank the House for listening so patiently. I have spoken with some earnestness, because for 50 years I have believed that the wise thing to do was to fill the Civil Service by competitive examinations, where efficiency should be the chief requirement. I am paying a debt today that I contracted more than 50 years ago when I first became converted to what was then a new idea. I thought we had so firmly implanted it in the American soil that it could not be uprooted, and it is my regret that any attempt is made to undo the great work that those who went before us accomplished in its creation. [Applause.]

Mr. DRIVER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the passage of the resolution.

Mr. SNELL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 237, nays 133, not voting 61, as follows:

[Roll No. 37]

YEAS—237

Abernethy	Dickinson	Kenney	Richards
Adams	Dickstein	Kerr	Richardson
Allgood	Dies	Kleberg	Robertson
Almon	Dingell	Klobb	Robinson
Arnold	Disney	Kniffin	Rogers, N.H.
Ayres, Kans.	Dobbins	Kocalkowski	Rogers, Okla.
Bailey	Dockweiler	Kopplemann	Rudd
Beam	Doughton	Kramer	Ruffin
Berlin	Douglass	Lambeth	Sanders
Biermann	Doxey	Lamneck	Sandlin
Black	Drewry	Lanham	Schaefer
Bland	Driver	Lanzetta	Schuetz
Blanton	Duffey	Larrabee	Schulte
Bloom	Dunn	Lee, Mo.	Scrugham
Boland	Durgan, Ind.	Lehr	Secrest
Boylan	Eagle	Lesinski	Shallenberger
Brennan	Elcher	Lindsay	Shannon
Brooks	Elzey, Miss.	Lloyd	Sirovich
Brown, Ky.	Faddis	Lozier	Sisson
Browning	Farley	Ludlow	Smith, Va.
Buchanan	Fiesinger	McClintic	Smith, W.Va.
Buck	Fitzgibbons	McCormack	Snyder
Bulwinkle	Fitzpatrick	McGrath	Somers, N.Y.
Burch	Fletcher	McKeown	Spence
Burke, Calif.	Ford	McMillan	Steagall
Busby	Fuller	McReynolds	Strong, Tex.
Byrns	Gambrill	McSwain	Stubbs
Cady	Gasque	Major	Sutphin
Caldwell	Gavagan	Maloney, La.	Swank
Cannon, Mo.	Gillette	Mansfield	Sweeney
Carden	Glover	Martin, Colo.	Tarver
Carley	Granfield	May	Taylor, Colo.
Carpenter, Kans.	Gray	Meeks	Taylor, S.C.
Carpenter, Nebr.	Green	Miller	Terrell
Cartwright	Greenwood	Milligan	Truax
Cary	Gregory	Mitchell	Turner
Chapman	Griffin	Montet	Umstead
Chavez	Griswold	Moran	Underwood
Church	Hamilton	Morehead	Utterback
Clairborne	Harlan	Murdock	Vinson, Ga.
Clark, N.C.	Harter	Musselwhite	Vinson, Ky.
Cochran, Mo.	Hastings	Nesbit	Wallgren
Coffin	Hildebrandt	O'Connell	Walter
Colden	Hill, Ala.	O'Malley	Warren
Collins, Miss.	Hill, Samuel B.	Oliver, Ala.	Weaver
Colmer	Holdale	Oliver, N.Y.	Weideman
Conner	Hughes	Owen	Werner
Cooper, Tenn.	Imhoff	Parker, Ga.	West, Ohio
Corning	Jacobsen	Parks	West, Tex.
Cox	Jeffers	Patman	White
Cravens	Jenckes	Peterson	Whittington
Crosby	Johnson, Okla.	Peyser	Wilcox
Cross	Johnson, Tex.	Polk	Williams
Crump	Johnson, W.Va.	Pou	Wilson
Cullen	Jones	Prall	Wood, Ga.
Cummings	Kee	Ramsay	Wood, Mo.
Darden	Keller	Randolph	Woodrum
Dear	Kelly, Ill.	Rankin	
Deen	Kemp	Rayburn	
Delaney	Kennedy, Md.	Reilly	

NAYS—133

Allen	Doutrich	Knutson	Rich
Andrew, Mass.	Dowell	Kurtz	Rogers, Mass.
Andrews, N.Y.	Eaton	Kvale	Sears
Arens	Edmonds	Lambertson	Seger
Bacharach	Eitse, Calif.	Lehbach	Simpson
Bacon	Englebright	Lemke	Sinclair
Bakewell	Evans	Luce	Smith, Wash.
Beedy	Fish	Lundeen	Snell
Blanchard	Focht	McCarthy	Stokes
Bolleau	Foss	McFarlane	Strong, Pa.
Bolton	Frear	McGugin	Studley
Britten	Gibson	McLean	Swick
Brown, Mich.	Gilchrist	McLeod	Taber
Brumm	Gillespie	Maloney, Conn.	Taylor, Tenn.
Burke, Nebr.	Goss	Mapes	Thom
Burnham	Guyer	Marshall	Thomason, Tex.
Carter, Calif.	Hancock, N.Y.	Martin, Mass.	Tinkham
Carter, Wyo.	Hartley	Mead	Tobey
Castellow	Healey	Merritt	Treadway
Chase	Henney	Millard	Turpin
Christianson	Hess	Monaghan	Watson
Clarke, N.Y.	Hill, Knute	Mott	Wearin
Cochran, Pa.	Hoeppel	Muldowney	Welch
Collins, Calif.	Hollister	O'Brien	Whitley
Condon	Holmes	O'Connor	Wigglesworth
Connolly	Hooper	Parker, N.Y.	Withrow
Cooper, Ohio	Hope	Parsons	Wolcott
Crosser	Howard	Peavey	Wolfenden
Crowther	James	Perkins	Wolverton
Culkin	Jenkins	Pettengill	Woodruff
Darrow	Johnson, Minn.	Powers	Young
De Priest	Kahn	Ramspeck	
Dirksen	Kelly, Pa.	Ransley	
Dondero	Kinzer	Reece	

NOT VOTING—61

Adair	Beiter	Cannon, Wis.	DeRouen
Auf der Heide	Boehne	Cavicchia	Ditter
Ayers, Mont.	Brand	Celler	Duncan, Mo.
Bankhead	Brunner	Cole	Fernandez
Beck	Buckbee	Crowe	Flannagan

Foulkes	Kennedy, N.Y.	Palmisano	Sumners, Tex.
Fulmer	Lea, Calif.	Pierce	Thompson, Ill.
Gifford	Lewis, Colo.	Ragon	Thurston
Goldsborough	Lewis, Md.	Reed, N.Y.	Traeger
Goodwin	McDuffie	Reid, Ill.	Wadsworth
Haines	McFadden	Romjue	Waldron
Hancock, N.C.	Marland	Sabath	Willford
Hart	Martin, Oreg.	Sadowski	Zioncheck
Higgins	Montague	Shoemaker	
Hornor	Moynihan	Stalker	
Huddleston	Norton	Sullivan	

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Lewis of Maryland (for) with Mr. Beck (against).
 Mr. Ragon (for) with Mr. Goodwin (against).
 Mr. Kennedy of New York (for) with Mr. Ditter (against).
 Mr. Auf der Heide (for) with Mr. Higgins (against).
 Mr. Sullivan (for) with Mr. Wadsworth (against).
 Mr. Fernandez (for) with Mr. Moynihan (against).
 Mr. Sabath (for) with Mr. Reid of Illinois (against).
 Mr. Bankhead (for) with Mr. Traeger (against).
 Mr. Flannagan (for) with Mr. Reed of New York (against).
 Mr. McDuffie (for) with Mr. Cavicchia (against).
 Mr. Celler (for) with Mr. Waldron (against).
 Mr. Adair (for) with Mr. Stalker (against).
 Mr. Brunner (for) with Mr. Thurston (against).
 Mr. Cole (for) with Mr. Buckbee (against).
 Mr. Beiter (for) with Mr. McFadden (against).

Additional general pairs:

Mr. Boehne with Mr. Gifford.
 Mr. Brand with Mr. Shoemaker.
 Mr. Sumners of Texas with Mr. Ayers of Montana.
 Mr. Montague with Mr. Crowe.
 Mr. DeRouen with Mr. Lewis of Colorado.
 Mr. Martin of Oregon with Mr. Marland.
 Mr. Palmisano with Mr. Cannon of Wisconsin.
 Mr. Goldsborough with Mr. Pierce.
 Mr. Huddleston with Mr. Duncan.
 Mr. Hancock of North Carolina with Mr. Willford.
 Mr. Fulmer with Mr. Sadowski.
 Mr. Romjue with Mr. Zioncheck.
 Mr. Hart with Mr. Foulkes.
 Mr. Haines with Mr. Hornor.
 Mr. Lea of California with Mr. Thompson of Illinois.

Mr. BOYLAN. Mr. Speaker, the lady from New Jersey, Mrs. NORTON, is necessarily absent on account of official business. If she were present, she would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 3, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "their appointment may be made and compensation fixed without regard to the Civil Service laws, or the Classification Act of 1923, as amended, and the Administrator may, in the same manner, appoint and fix the compensation of"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "The Administrator may, under rules and regulations prescribed by the President, assume control of the administration in any State or States where, in his judgment, more effective and efficient cooperation between the State and Federal authorities may thereby be secured in

carrying out the purposes of this act"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment, and on page 8, line 3, of the House bill, after "Hawaii", insert "the Virgin Islands"; and the Senate agree to the same.

HENRY B. STEAGALL,
 T. ALAN GOLDSBOROUGH,
Managers on the part of the House.
 DUNCAN U. FLETCHER,
 ROBERT F. WAGNER,
 PETER NORBECK,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: The House bill provided that the Administrator should receive a salary not to exceed \$8,500. The Senate amendment provides that the salary shall be fixed by the President at not to exceed \$10,000. The House recedes. The effect of the provision, as agreed to in conference, is that the maximum salary is \$10,000, which will be subject to the applicable reduction under the economy law.

On amendment no. 2: This amendment provides that the officers and employees (other than experts) of the administration shall be appointed subject to the provisions of the Civil Service laws, and their compensation fixed in accordance with the Classification Act of 1923, as amended. There was no such provision in the House bill. The House recedes with an amendment providing that experts and other officers and employees may be appointed without regard to the Civil Service laws and their compensation fixed without regard to the Classification Act of 1923.

On amendment no. 3: This amendment provides that the maximum compensation to be paid to any expert or other officer or employee appointed by the Administrator shall not exceed \$8,000. The House recedes. The effect of the provision is that the maximum salary is \$8,000, which will be subject to the applicable reduction under the economy law.

On amendment no. 4: This amendment provides that the Administrator may, under rules and regulations prescribed by the President, assume control of the administration in any State or States where, in his judgment, more effective and efficient cooperation between the State and Federal authorities may be secured. The House recedes with clarifying amendments.

On amendment no. 5: This amendment extends the benefits of the act to the Virgin Islands. The House recedes with a clarifying amendment.

HENRY B. STEAGALL,
 T. ALAN GOLDSBOROUGH,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, there are only four changes in the legislation as it passed the House. The House fixed the salary of the administrator at \$8,500. That has been changed to read "not exceeding \$10,000", but subject to the application of reduction under the economy law, which is really not a substantial change.

Mr. BEEDY. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BEEDY. I proposed the original amendment that put a limitation, as the gentleman will recall, on the salary

of this official. It seemed to me at the time almost the unanimous will of the House that this limitation should be placed in the bill. I was wondering what pressure was brought upon the conferees to bend the position of the House on this particular item.

Mr. STEAGALL. The change is not substantial. The Senate language placed a limit of \$10,000 upon the salary, but makes it subject to the reduction provided in the economy bill, which, under the present adjustment, would make the salary \$8,500, as provided specifically in the House bill.

Mr. BEEDY. That is just what I wanted to ascertain.

Mr. STEAGALL. Another limitation was placed on the salaries of employees and experts employed by the administration, placing the maximum at \$8,000 annually. There was incorporated a provision which authorizes the administrator of the relief fund to set up authorities in the different States to administer the fund, where it is found desirable to do so, in order to secure more effective and more efficient administration of the fund. I do not think there is anything in that provision that need create any serious concern.

There might possibly be an instance where complaints would arise on the score of local politics or otherwise that might make it desirable for the administrator to exercise control of the funds, in some instances, without leaving them in the hands of persons selected by the State authorities. But I think it is safe to say that such thing is not likely to arise in any instance; and if it should, it certainly would be an exception to the rule. The general provision is that the funds are to be administered by State authorities and distributed upon the application of the Governors of the States.

Mr. SNELL. Will the gentleman yield for a question?

Mr. STEAGALL. Yes.

Mr. SNELL. Has there been any estimate anywhere along the line or in any hearings of the number of employees who will be put to work in the administration of this measure?

Mr. STEAGALL. I may say to the gentleman that the purpose of this legislation is not primarily that of dealing with unemployment.

Mr. SNELL. A good deal of unemployment will be relieved through the jobs created under this bill, will there not?

Mr. STEAGALL. What we desire through this legislation is to relieve hunger and distress. Other things are incidental to the main object.

Do I understand the gentleman directs his inquiry to the personnel set up to administer the \$500,000,000 fund?

Mr. SNELL. Yes.

Mr. STEAGALL. I may say to the gentleman it was not thought there would be any large number employed or necessary in the administration of this fund for the reason that it is to be left to the State authorities to distribute and to administer after allocation by the administration in Washington.

Mr. SNELL. I hope those who administer the law will remember the gentleman's statement.

Mr. STEAGALL. That, of course, is what is contemplated by the Congress and, so far as we were advised, by those who appeared before the committee advocating the enactment of the legislation.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McFARLANE. I notice as the bill passed the House the salary of the administrator was fixed at \$8,500. The conference report limits it to \$10,000. Does this mean the administrator of this law will receive \$10,000?

Mr. STEAGALL. I have already explained that the change made was for a specific provision that the maximum salary should be \$8,500 to a provision that it shall not exceed \$10,000, the purpose being to fix the basic salary at \$10,000, leaving it subject to reduction under the economy law, which, according to the adjustment now in effect, will make it \$8,500.

Mr. McFARLANE. So the net result is that the salary is left at \$8,500, the figure it was before.

Mr. STEAGALL. It should be less under this than it was under the provisions of the House bill.

Mr. McFARLANE. Why should it not be?

Mr. STEAGALL. It can not be more. The House bill fixed a definite sum. The amendment of the Senate provides that it shall not exceed that sum.

Mr. Speaker, these are the changes in the bill, except the one which has been fully and adequately discussed in connection with the rule which has just been adopted by the House. I refer to the provision which removes the employees of the administration from the provisions of the Civil Service law.

The discussion of the rule has left nothing necessary to be said. In this connection I think it proper to state that the force to be employed in connection with this legislation really affords a very trivial basis for controversy in connection with the application of Civil Service rules.

We all desire to preserve our Civil Service System insofar as it should be done, properly safeguarded to continue the personnel of the Government who are peculiarly trained and experienced, whose continued service is desirable for the public welfare.

This is an emergency measure. We were urged to have the legislation passed by the 1st of May. Funds are being depleted and it is desirable that the administration be left free to employ local help wherever available in cases where it is necessary to employ personnel in the different States.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. LUDLOW. Is it not true that in every State there is now a trained personnel and an adequate set-up?

Mr. STEAGALL. Yes. I think that is generally true.

Mr. LUDLOW. This trained personnel may be utilized and a large sum may be saved in administrative expense if the employees to be taken on under this bill are not required to be taken from Civil Service lists, whereas they could not be utilized if the employees are put under the operation of the Civil Service law. In Indiana there is a relief organization under the directing genius of our able Governor, Paul V. McNutt, that is prepared to take over this relief work and administer it most efficiently and at a minimum of cost. The utilization of that organization not only will mean that relief will be applied where it is needed in Indiana but it will result in a large saving to the taxpayers. I am a firm believer in Civil Service, but I think that on account of the temporary nature of this work and the facilities already at hand there should be an exception in this instance.

Mr. STEAGALL. It would vastly increase the expense of administration of this act and handicap the administrator in his duties if we put the Civil Service requirement into the bill.

Mr. LUDLOW. And add greatly to the difficulties of the administration.

Mr. STEAGALL. It would add greatly to the difficulties of the administration of the law, as the gentleman says.

After all, our Civil Service system is far from satisfactory. There are not many things about it so sacred as to forbid change or suggestion for improvement. The system is lop-sided and unfair. I have not the figures in mind, but four States and the District of Columbia have taken over an unjust share of the jobs under the prevailing Civil Service system and left without opportunity for employment by the Government multiplied thousands of citizens throughout other States and other sections of the Union who have no opportunity to find employment with the Government.

This subject is now under consideration by one of the committees of this House and will be dealt with, I hope, constructively in legislation that will be considered in just a day or two. I hope the unfairness that has been developed under the present Civil Service system of the country will be corrected by this legislation and that we shall have a just and equitable distribution of the favors to be dispensed by the Federal Government.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. GREEN. And if these inequalities and abuses are not corrected, then all Civil Service laws ought to be repealed.

Mr. STEAGALL. I think the proper course is to improve and perfect the Civil Service law and its administration, so that fairness and justice may result and that its true purpose may be carried out.

Mr. McFARLANE. Does not the gentleman think a policy should be declared which will offset the effect of these blanket orders of the last three administrations placing so many under Civil Service, so that lots of good Democrats, who are now out of employment, may be given employment?

Mr. STEAGALL. I may say to the gentleman from Texas that, of course, I share the feeling he entertains. My political sympathies are the same as his. But we should deal with the subject from the standpoint of justice and public welfare and adopt a permanent system to accomplish these ends.

The Civil Service law ought to be put on a fair basis, to stand throughout the years, no matter what party may be in power. This is what ought to be done.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. STEAGALL, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL—FISCAL YEAR 1934

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1934, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON of Missouri, BLANTON, BUCHANAN, TABER, and BACON.

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order tomorrow, Calendar Wednesday, be dispensed with.

Mr. KVALE. Mr. Speaker, I reserve the right to object. I was on my feet attempting to secure recognition in order to reserve the right to object to the previous unanimous-consent request.

The SPEAKER. The gentleman is recognized for that purpose.

Mr. KVALE. I simply feel that under the previous agreement entered into I should have been recognized because I meant to ask the chairman of the committee to make a clarifying statement.

The SPEAKER. The gentleman is recognized for that purpose.

Mr. KVALE. I simply want a statement from the chairman of the Committee on Appropriations with reference to the intent and purpose of the conferees with respect to the amendments of the Senate on the District of Columbia appropriation bill. We understand that some of the restrictions and some of the changes have to do with a more liberal policy toward the schools, playgrounds, swimming pools, and other activities of the District, and I am wondering what the attitude of the House conferees is going to be.

Mr. BUCHANAN. I do not know, and I cannot speak for the House conferees because I have not consulted them. Ordinarily, when conferees are appointed, it becomes their duty to carry out, so far as it is in their power to do so, the will of the House as expressed in the bill. I assume the conferees are going to try to carry out this duty. However, they are not going into the conference with any predetermined or unyielding convictions that would not permit of a real conference.

Mr. KVALE. And this action today will not be interpreted as a mandate to stand by the provisions of the House bill?

Mr. BUCHANAN. Certainly not. This is simply the appointment of House conferees.

Mr. KVALE. I simply wanted that statement in the Record, and I thank the gentleman. I withdraw the reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Speaker, I reserve the right to object to ask the gentleman from Tennessee a question: Would the gentleman mind telling the House what is to be the program for the balance of the week?

Mr. BYRNS. I may say to the gentleman that if the House is willing we can meet at 11 o'clock in the morning and conclude general debate on the independent offices appropriation bill, which has been fixed at 6 hours, and then take up the independent offices bill Thursday under the 5-minute rule, I assume, at the regular hour of meeting. Whether the consideration of the bill can be concluded Thursday or will go over until Friday, I do not know. Further than this, I know of nothing that can come before the House unless it be some conference reports.

Mr. SNELL. Then it is the idea of the gentleman that if we should finish the consideration of the bill Thursday night to adjourn over until the following Monday?

Mr. BYRNS. Unless something develops in the meantime which indicates it is important for the House to stay in session.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that Calendar Wednesday business in order tomorrow be dispensed with?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

Mr. MAPES. Mr. Speaker, reserving the right to object, there are some committees that have important hearings scheduled for tomorrow. I wonder if the gentleman from Tennessee has consulted with the chairman of the Committee on Interstate and Foreign Commerce.

Mr. BYRNS. I have not; but I can give them assurance that there will be nothing come up between the hours of 11 and 12 except general debate on the appropriation bill.

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. I should like to make this statement: A good many Members of the House have expressed interest in the independent offices bill and especially in that portion of it dealing with the appropriations for veterans. It is the purpose of the committee, when the House convenes at 11 o'clock tomorrow, that the first speech shall be a speech explaining the provisions of the bill, and I hope that such Members of the House as are interested will be present, and that it will not be necessary to take the time to have a roll call to get them here.

Mr. BUSBY. Mr. Speaker, reserving the right to object, I want to ask some questions before we consent. I understand 6 hours of general debate is provided for. Who is going to allot this time in general debate?

Mr. BYRNS. Under the rule which has already been adopted it will be allotted by the gentleman from Virginia [Mr. WOODRUM] and the gentleman from New York [Mr. TABER], and will be confined to the bill.

Mr. BUSBY. The entire time of 6 hours is to be confined to the bill?

Mr. BYRNS. That is the rule, as I understand it.

Mr. BUSBY. That has not been the practice heretofore.

Mr. BYRNS. No; we have had general debate, so as to permit Members—

Mr. SNELL. We have had a lot of new practices this session, as the gentleman knows.

Mr. BYRNS. I think this is a very wise practice, particularly with reference to this bill, because there are many important matters of legislation in it.

Mr. BUSBY. One other question. Is it expected that the Members who address the Committee will talk to empty benches, as they do usually in general debate, or is it expected that we shall have a quorum?

Mr. BYRNS. I am sure they will talk to a crowded House, because the gentlemen who are going to address the House are going to make some splendid speeches. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BUSBY. Reserving the right to object, I am not satisfied with that last wise crack. [Laughter.]

Mr. BYRNS. Is the gentleman on the list of speakers?

Mr. BUSBY. No; and I did not ask to be, but I want to inform the gentleman that he will have to have a quorum here all day tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RIVER AND HARBOR APPROPRIATION BILL

Mr. MANSFIELD, from the Committee on Rivers and Harbors, by direction of that committee, reported the bill (H.R. 5569) for the construction, repair, and preservation of public works on rivers and harbors, and for other purposes, which was read a first and second time and referred to the calendar.

Mr. SNELL reserved all points of order on the bill.

WHERE ARE WE HEADED TODAY?

Mr. HESS. Mr. Speaker, I ask unanimous consent to publish in the RECORD the remarks made by my colleague, Mr. HOLLISTER, of Ohio.

There was no objection.

Mr. HESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by my colleague, Hon. JOHN B. HOLLISTER, of Ohio, at the annual dinner of the Cincinnati Bar Association, April 29, 1933.

My colleagues of the Cincinnati Bar: When I was asked a short time ago to address you tonight, I realized how little time there was to prepare adequately a scholarly address suitable to the occasion, and to the dignity of the assemblage now before me. I selected the subject, "Where Are We Headed Today?", with a purpose. We are moving so fast, and the kaleidoscope changes so greatly each day that no matter how carefully I might prepare myself on the subject I knew full well that the elapse of 24 hours might and probably would render all my observations obsolete. It left me a fine "out" for any lack of preparation which might appear.

Let me say at the outset that I have no answer for the question "Where are we headed today?" I only wish I had, but the man who has the temerity to give an answer to that question with any reasonable degree of accuracy is yet to be found. Our position today makes me think a little of the actions of Lord Nosh, in Stephen Leacock's humorous story, Gertrude the Governess, who whenever he was perturbed left the house, jumped on his horse's back, and rode away rapidly in all directions. It looks as if we were today riding rapidly in all directions.

Let me lay a little groundwork before discussing the present situation in more detail. Since I am speaking to men and women learned in the law it will not be necessary to expatiate on some of the elementary ideas of government which seem to be going rapidly into the discard. We know our Federal authority was conceived as a grant of powers by independent and sovereign States to a central government, and it was the view of our far-seeing forefathers that there must be unceasing watchfulness against encroachment by the central Government on the prerogatives of the States. You all know of the historic controversies between Hamilton the Federalist, and Jefferson the Democrat, although they did not call them Democrats in those days. You all know how John Marshall, as Chief Justice, expounded the Constitution, and how under his guidance, little by little, the Federal idea took form and crystallized. But Hamilton and Marshall would have been aghast at some of the governmental manifestations which we today accept as normal, and I am afraid that poor Thomas Jefferson has grown callouses from turning rapidly in his grave at the mere thought of how far we have departed from his principles.

The Constitution was conceived on the theory of rugged individualism. The ideas of the framers of the Constitution was that there should be just as little interference as possible by the central government with the right of the individual to live his life as he saw fit, to work when and how he pleased, and to amass what property he could. Even a cursory reading of the Constitution makes it clear that scrupulous care was taken to protect the individual from encroachment on those rights; and it is, of course, well known that the first 10 amendments, popularly known as the bill of rights, were submitted immediately after the adop-

tion of the Constitution as part of an agreement without which the Colonies would not have approved the basic document itself. The famous wording of the fifth amendment that no person shall be "deprived of life, liberty, or property without due process of law" is familiar to every schoolboy. It has been the due-process clause which has constituted the chief protection of the individual in the preservation of the rights which the founders of our country considered as innate.

But what has come over the picture of ideal simplicity which was presented by our early Government? We started off with a President, a Vice President, a Congress, a Supreme Court, and three departments—the State, Treasury, and War. When Jefferson became Secretary of State in 1790 he had two clerks and a budget of \$6,300. There are now 4,700 Civil Service employees in the State Department alone. In 1790 the War Department had a staff of 13. There are now 50,000 civilian employees. Whereas the whole Government operated in 1790 with three departments and a total of a few hundred employees, we now have 150 different departments, bureaus, commissions, and boards; and the civilian employees of the Government, full-time and part-time, number almost 850,000.

I am not here to criticize any particular department or bureau, or the people who work in them. They are in the main capable individuals, doing their jobs honestly and well. It is all a part of the great bureaucratic system which has grown faster and faster, increasing in volume like a snowball, to which very little attention has been called until the last few years.

If a service was demanded by a small group of citizens, the Government gladly gave the service. Times were good, and the national income was more than enough for the purpose. The ambitions of individuals in the various departments themselves to expand their work and therefore to acquire perhaps a higher salary and more importance has been responsible for even more of this increase. It was easy to expand, but contracting means the losing of jobs or a reduction of wages, and this has up to recently been found almost impossible.

My purpose tonight is not to give a detailed dissertation on Government bureaucracy. That subject, treated properly, would take several times the amount of time I expect to use. What most of us do not realize is that there is serious doubt whether a great part of all this development is really constitutional at all, based on the views of the framers of this great document. It is true that the Treasury with its enormous subsidiary, the Bureau of Internal Revenue, is based on the constitutional powers "to lay and collect taxes . . . to borrow money on the credit of the United States . . . to coin money, regulate the value thereof and of foreign coin . . .", supplemented, of course, by the income-tax amendment. It is true that the Interstate Commerce Commission and the Federal Trade Commission are based on the commerce clause. It is true that the War, Navy, State, and Justice Departments have their constitutional sources, but under what authority do we justify most of the activities of Commerce, Interior, Agriculture, and Labor Departments? How many of us realize that the only constitutional justification for these enormous bureaus and their staggering expense are the two words "general welfare" in section 8 of article I of the Constitution, where, hidden away among other things, there appears the power granted Congress "to provide for the common defence and general welfare of the United States."

A study of the debates in the Convention prior to the adoption of the Constitution indicates that the term "general welfare" was adopted because of the fear that the Central Government might favor one district over another, might discriminate in the exercise of its functions, and it was therefore decided to include language to indicate that all parts of the country should be treated on an equality. Who dreamed that the power of the Central Government to raise revenues and to expend them would bring about a situation where, on the theory of providing for the general welfare of the country, we should build hundreds of millions of dollars' worth of roads with Federal money, set up employment offices, inspect cows for tuberculosis, attempt to abolish the boll weevil, fight the grasshopper, and do the thousand and one things which the Federal Government does today and which might perfectly well be done by the States themselves?

No one doubts but that most of this work does some good; and if it were only a question of expense we might be able to bear up, particularly in good times, but all this unnecessary and unlimited expansion has a more sinister side. There is not only a taking over by the Federal Government of purely State functions but there has been developed the Frankenstein of "government in business", the competition by the Government itself with industry, government with all its wasteful and inefficient operation, yet backed by the huge resources of the National Treasury, so that the question of cost which fixes the price of private production is disregarded. How can private industry, which must show a return on its capital in order to survive, compete with the Government in the same line when the latter does not have to show this return?

I have here a report of a special committee appointed by the House of Representatives in the past Congress to investigate this very subject. It covers some 250 pages and runs the whole alphabetical gamut from architects to warehouses. To detail the mass of information contained here would bore you most exceedingly. It is sufficient to say that the data collected by the committee showed that governmental competition affected detrimentally 225 different items of trade, industry, and personal and professional services.

I shall give you some typical examples. A post exchange at an Army post starts up with a few items carried for the soldiers

which cannot be locally acquired. Its ambitious head begins to find there is a demand for other things. He puts on new line after new line, and before he is through he is selling radios and automobiles to the whole community. Next a laundry is installed; and before you know it everyone in the neighborhood, whether connected with the military or not, is having his laundry done at the post establishment.

The convicts at a penitentiary are at work making chairs by hand. An up-and-coming warden asks for an appropriation for extending this work, and before you know it high-speed machinery is installed and 50 convicts who, of course, are paid nothing, are doing more work than 500 did before, and taking business which the furniture industry of the country can ill afford to lose.

One of the recent manifestations of the way in which the Government operates is the setting up of a separate corporation by the Government in which it makes the capital investment and then turns this corporation loose to go into business like any other corporation. If it is a failure, as it usually is, the Government loses the investment, shrugs its shoulders and goes on, but meanwhile another nail is driven in the coffin of the private industry with which it competes.

The first of these was the Panama Railroad, set up in 1904, for a worthy purpose, but before long the Panama Railroad was running its own ships to American ports in competition with private shipping companies which in turn the Government had to subsidize with mail contracts to make operations profitable.

The Great War was the happy hunting ground for this method of placing the Government in business. Most of us remember the Merchant Fleet Corporation of the United States Shipping Board, the United States Grain Corporation, the War Finance Corporation which was the ancestor of the Reconstruction Finance Corporation, the Sugar Equalization Corporation, the Spruce Production Corporation, etc. The exigencies of the Great War may have justified this development but quare—whether the same result could not have been achieved by industry itself under proper governmental supervision?

This was continued even after the war, for shortly thereafter the Department of Labor set up the United States Housing Corporation and actually built and later sold at a considerable loss thousands of homes. The Government still holds 28 millions in the stock of this company. The Inland Waterways Corporation is thriving today, taking business from the railroads and claiming to make a profit because of a system of accounting which fails to take into consideration invested capital and proper depreciation, a practice which the Interstate Commerce Commission would under no circumstances permit to a railroad.

The crowning atrocity in this list of governmental ventures is the Federal Farm Board, which is still dragging out a miserable existence, and which has cost the Government to date hundreds of millions of dollars. It was conceived as a help to the farmer, but today the farmer is in a worse plight than ever, and to a great extent because of the operation of the Farm Board, which took over his surplus crops and thus encouraged him to keep on producing when he should have been curtailing his acreage. Even the United States Government, great though its resources may be, cannot long oppose successfully the inexorable operation of the law of supply and demand.

We carried this same plan into the field of finance for the first time in 1923, when we organized the Federal Intermediate Credit Banks to assist in the financing of agriculture, banks of which the Government now owns the capital stock to the tune of 32 millions.

I have here a statement of the securities owned by the United States. It shows that in addition to the foreign debts of eleven billions plus there are owned securities of various subsidiary corporations in the amount of 2½ billions of dollars.

You may think that I am going too far into the past; that a good deal of what I have said is "old stuff" and has little bearing on my subject, but it is all part of the picture. It shows that there has been increasing emphasis on the importance of the Federal Government over that of the States, and increasing exercise by the Federal Government of functions which it should never have assumed, and an increasing interference with your business and my business and your daily life and my daily life.

Incidentally, you will note that I have given no attention to the ill-fated prohibition experiment which happily now begins to be a matter of the past. That was, of course, another manifestation of complete forgetfulness of the basic principles of individual liberty which gave our country its early virility and which we are in serious danger of losing.

And now we come up to the time of the depression. There is not the slightest doubt but that the reckless expenditures of our Government, encouraging similar expenditures by States, municipalities, corporations, and individuals, was an important contributing factor to our troubles. Certainly the failure of this country to balance its Budget for more than 3 years and the certainty that it will be unbalanced for the current fiscal year ending June 30 next was largely instrumental in bringing about the general lack of confidence which resulted ultimately in the closing of all the banks in the country. The emergency of the depression was met at the beginning by an attempt by the Government to take under its wing the vast credit structure of the Nation.

I am trying to speak dispassionately and without any consideration of party or politics. The Republican Party and its representatives have made ghastly mistakes, and I am only praying that the Democratic Party and its representatives will not follow the

same course, for parties and politics are secondary when the welfare of the country is concerned.

Shortly after Congress convened in December 1931, the Reconstruction Finance Corporation was organized, a corporation with a capital stock of half a million and with authority to issue bonds and notes for several times that amount, which authority has since increased a number of times. Railroad bonds were then showing the result of many months of operation by the carriers in the red. Banks found in their portfolios many of these railroad bonds and industrial bonds whose values had shrunk alarmingly, together with many loans which could not be collected and were undersecured. They dreaded the day of reckoning when a substantial number of their depositors might demand their money. Insurance companies were in the same predicament as far as their investments were concerned and their needs for cash to satisfy their policyholders.

It was the theory of the sponsors of the Reconstruction Finance Corporation that inasmuch as the backbone of this mighty industrial country was its financial structure the greatest good would be done for all if the Federal Government would get behind and bolster up these great institutions. Thus the original Reconstruction Finance Corporation Act provided for loans to railroads, banks, and insurance companies alone. While this method had the support of almost all of us at the time, one wonders today whether it would not have been better to take our medicine then rather than to attempt to postpone the collapse.

In July of last year the relief bill was passed and Reconstruction Finance Corporation loans were extended to States and even to counties and municipalities for relief purposes. They were also extended for certain agricultural purposes and to private corporations operating self-liquidating projects. In the first days of the recent session of Congress we authorized the Reconstruction Finance Corporation to acquire preferred stocks in banks, and we have now for consideration before the Banking and Currency Committee of the House a bill to do the same for insurance companies. Note this significant development: First, loans for the sole purpose of giving current assistance to the credit structure of the country; next, loans for relief purposes, a great departure from the original plan; next, the purchase of preferred stock in banks, a definite departure from the loan idea, for it placed the Government in the position of having a capital investment instead of merely a loan. But what was the crowning act? A few days ago, in the Wagner-La Follette-Costigan relief bill the Reconstruction Finance Corporation was instructed to give—give, mind you, not lend—half a billion dollars to States for relief purposes. It is the first step along the road of the dole, which has brought other proud countries to their knees. Could there be a clearer picture of how popular pressure, ignorant of constitutional principles, is responsible for the distortion of an idea far beyond its proper and original concept. Is this the legitimate offspring of the general-welfare clause of the Constitution?

What, in my opinion, made this last act particularly vicious was the fact that the Reconstruction Finance Corporation was used at all. Why use a loan agency to make a gift? Why not face the music and say that inasmuch as the Treasury must pay it ultimately, it should pay it directly? Is it fair to deceive ourselves and the public and talk about balancing the Budget with the assistance of the Economy Act, when a few weeks later we authorize the expenditure in free gifts to the States of a sum greater than the estimated savings in the Economy Act?

Let us see what else we have done in the way of attempting to finance the whole country. In January 1932 we placed 125 millions of additional capital in the Federal land banks on the plea that it would protect the farmers against foreclosure, but resulting, of course, in strengthening the position of the Federal land-bank bonds. We have eight millions in stock in Federal home-loan banks authorized last July, and we are committed to invest in them many times that amount. We have agreed to guarantee the interest on 2 billions of bonds to be used in exchange for farm mortgages and 2 billions of bonds to be exchanged for home mortgages, and we are to pay further millions for stock in the corporations set up by the Government which are to hold these mortgages when exchanged. If these two last bills, which have passed the House, receive final approval, and they will, this Government will be the owner of \$4,000,000,000 worth of farm and home mortgages.

What else are we doing today? We have passed a so-called "reforestation bill", which sends young men from the bread lines to work in the woods at a dollar a day. We must in addition feed them, clothe them, house them, and supervise them. The estimated cost of a unit of 250,000 for a year is about \$200,000,000. The President is now considering discharging from the Army 12,000 men who are already clothed, living in existing Army camps and drawing only \$21 a month, and who when discharged must either get jobs or join the bread lines, and he is also considering retiring 4,000 trained officers who must be given retired pay. In the same breath we decide to send a similar number of men to the reforestation camps at \$30 a week and call out 4,500 reserve officers to supervise them, who must, of course, leave their jobs and who have to be paid for their work. Perhaps you might expect that of a Government which passes a farm relief bill providing for a subsidy to the agricultural producer who cuts his acreage and then maintains a fund for the making of crop loans and also maintains financing agencies for the specific purpose of assisting the farmer to grow more crops.

And what did we do in the House a few days ago? We passed the Muscle Shoals bill, by an enormous majority, providing for the

development at great cost of additional power in a district which now has more than a million kilowatts of excess, unsalable power and providing also for the manufacture of fertilizer, at a time when fertilizer is dirt-cheap and most private fertilizer companies are trying desperately but vainly to make a profit.

But the end is not yet. Not long ago we were presented with the spectacle of 96 men, called Senators, selected by their States, theoretically at least, from among the best—we saw these men not only debating seriously the 6-hour day, 30-hour week work bill but actually passing it. Please do not misunderstand me. With 15,000,000 men out of work and only a certain amount of work available, I have the deepest sympathy with any reasonable attempt to spread work around, but can anyone contend seriously, even if the operation of such a bill were practical in all our industries—which, of course, is not the case—that we can so torture the commerce clause of the Constitution to uphold a law debarring from interstate commerce certain articles because of the number of hours which may be worked by any individual, not, mind you, on the particular article involved but anywhere in the plant which produces the article? You will say that the unconstitutionality of such a law was settled in the *Child Labor case*, but there are many who claim to be lawyers who will tell you that a 5-to-4 decision of the Supreme Court is not a precedent, and there also seems to be a large school of thought which makes so bold as to say that if Congress declares a law to be an emergency and puts it into operation for a limited period, in some miraculous way the Constitution ceases to operate with respect to it.

And now for the question of inflation. You all know that the Senate is considering various currency proposals as amendments to the farm relief bill, and that a few days ago it approved a provision authorizing the President to fix from time to time a ratio between gold and silver and allow free coinage of silver on that basis. Can you not see the face of the Great Commoner staring out at us from the mists and can you not hear his ringing words about the "cross of gold"? Are we to turn back the hands of time 35 years?

But this is not enough. We are being asked to give the President authority to issue currency at will up to \$3,000,000,000, and this when there is more currency outstanding than at the peak of the 1929 boom. We are also to be asked to authorize him to change at will the gold content of the dollar.

Does it mean nothing that the United States has solemnly covenanted to pay its bondholders in gold of the present standard of weight and fineness? If this is lived up to and the gold content of the dollar is changed, more dollars will be required to pay off these bonds, and the same thing will apply to private obligations containing the gold clause. Will this make things easier for the debtor class or arrest deflation? The only other alternative would be the repudiation by the Government of its obligations and the impairing of the sanctity of contract by governmental action. But if contracts are not to be observed, what becomes of our great industrial system, which is based on contract, and how will the Government be able to sell its bonds in the future if the prospective investor realizes he may be robbed of a portion of his property at the will of his debtor?

The crowning folly is a bill now before the Appropriations Committee, in support of which administration spokesmen have appeared and which actually proposes that the President shall have the right to cancel any Government contract leaving the other party to his redress in damages. Those of you who have tried to recover from the Government know the endless sorrows such a bill would bring.

We seem to be living in a strange new world. The instrumentalities, the very terms, are strange. Within the last few weeks we have passed or are considering bills setting up the following:

- An emergency agricultural adjustment administration.
- A home-owners loan corporation.
- Federal savings and loans associations.
- A Federal emergency relief administration.
- A Tennessee authority.
- A Federal liquidating corporation.
- A civilian conservation corps.
- A general agricultural bureau.
- A dollar-stabilization board.

Is it any wonder that the brain becomes a bit foggy and that we wonder what has become of the good old Government we used to know.

My friends, I have brought you on a long and perhaps a tedious path, but I hope that the various steps have led logically toward the goal. It is apparent that the Federal Government is the influence which looms most menacingly in our lives. It has today enormous interests in the railroads, insurance companies, and banks of the country. It will soon own billions of dollars' worth of mortgages. It wishes to say when and how long we shall work. It regulates us in everything we do, and the worst of it is we voluntarily turn to it for more and still more paternalism. We have embarked on Government regulation and on State capitalism with a vengeance, and State capitalism is a long step toward true socialism.

I have almost finished. I do not believe that it is necessary, even with times as they are, to tread the path we are treading. I believe that there are other solutions which will relieve the situation and which will preserve adequately the basic principles of the Constitution and of our Government, but that is not the province of my talk tonight.

I began this speech by stating that I could not answer the question that I propounded as the subject of my speech. I repeat,

who can say where we are headed? The answer is shrouded in the mists of the future. I think I have given you sufficient evidence that we have come far afield from the original ideals of our Government and that this process has been greatly accelerated within the last few years. This acceleration seems to have reached the proportions of an irresistible whirlwind today, and where it will carry us Heaven alone can tell. We can only pray that it will not wreck completely our basic ideals and that the country will emerge from it a finer and greater land than ever.

ACTIVITIES OF THE INTERIOR DEPARTMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered by the Secretary of the Interior over the radio last evening. It was a splendid address on the activities of the Interior Department.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under the permission granted me to extend my remarks in the RECORD, I am inserting the address delivered over the radio last evening by Hon. Harold L. Ickes, Secretary of the Interior. This is the first time, so far as I know, that a Secretary of the Interior has ever delivered over the radio a detailed description of the numerous bureaus and activities of that Department, which extend from the Arctic Circle to the Equator. It is a splendid and exceedingly informative and instructive address.

Having been actively interested in the affairs of the Interior Department for a great many years, I feel that this address should be preserved in the RECORD for the benefit of the public generally. I have always felt that the Interior Department has more human interest, comes nearer to the human side of life, and has a wider variety of interesting activities than any other Department, and for these reasons I am pleased to have the opportunity of inserting it in the CONGRESSIONAL RECORD.

The address is as follows:

Established by the act of March 3, 1849, the Department of the Interior, comprising within its jurisdiction as it does so many varied and widely divergent activities, is, to my mind, the most interesting division of the Federal Government. From building up a reindeer herd in Alaska to cultivating tomatoes in the Virgin Islands; from supervising the social and business affairs of the approximately 228,000 Indian wards of the United States to keeping touch with the activities of hospitals and schools for the Negroes; from administering the 14,702,205 acres of the national parks and monuments and seeing that they are available at all seasonable times for the enjoyment of the millions of American citizens who visit them each year to passing upon such technical matters as are involved in the administration of the General Land Office, the Geological Survey, and the Reclamation Service, offer a sufficient variety to engage the enthusiastic interest of any man.

So diverse are the activities of the Interior Department and so pressing are the many important questions that are presented daily for decision that one wonders how the Federal Government managed to get along without this Department prior to 1849. Historically, the Department grew out of the General Land Office, which was organized originally as a bureau of the Treasury Department under the act of April 25, 1812. The work of this office had become so burdensome to the Treasury Department that it was turned over to the Interior Department for administration in 1849. This really marks the beginning of the Interior Department, which was intended to be, and still is, the land, home, and educational department of the Government.

The first annual appropriation for the Department of the Interior was \$3,584,029.77. The highest appropriation ever made was in 1929 and amounted to \$353,332,000, of which \$275,950,000 was for pensions and Civil Service retirement, since transferred to the Veterans' Administration. For the fiscal year of 1933 the appropriation was \$81,325,484, and for the fiscal year 1934, which begins July 1 next, the appropriation is \$55,860,936. However, in conformity with President Roosevelt's economy program, the actual expenditures for the Department for 1934 will be considerably less than the appropriation.

The Department employs, roughly, 15,000 persons, of whom about 2,200 are temporary employees. For reasons that are obvious, let me hasten to add that practically all of these employees are under Civil Service.

But if my listeners have as much difficulty carrying figures in their minds as I have, they will not be interested in having too many dry statistics detailed to them. I take it that, as taxpayers and voters having the fortunately revived interest in our Government that is so wide-spread at this time, they would rather have from me a brief outline of what this Department is responsible for as its share of the administration of the Federal Government.

The functions of the Department, broadly stated, are sociological and scientific. Our primary concern is the protection and enlargement of life and the conservation of natural resources. For the effective administration of the responsibilities entrusted to

this Department several bureaus have been established, each specializing in a particular field. A brief review of the activities of these will give an idea of the scope of the work of the Department and demonstrate that it comes closer to the life, happiness, and well-being of the average citizen of the United States than perhaps any of the other great administrative divisions of the Government.

THE GENERAL LAND OFFICE

There are more than 300,000,000 acres of unappropriated public lands in the United States proper, of which 49,333,717 acres still remain to be surveyed. This takes no account of the hundreds of millions of acres of public lands which, through the General Land Office, have already passed into the hands of private citizens under the homestead law.

Land is the basis of our civilization. What citizen has not felt the urge of land hunger? It is as common to the lawyer who works in his skyscraper office as to the farmer whose possessive feet sink deep into the loosened soil of the furrow he is plowing. Uninspiring as the term "General Land Office" is, no bureau of the Government has meant more to the citizens of the United States or has made a larger payment in the coin of peace, contentment, and prosperity to thousands upon thousands of our people.

Nor is the General Land Office concerned exclusively with the holding and the development of agricultural, grazing, and forest lands. It is the trustee, representing the whole people of the United States, of the mineral wealth that lies in the bosom of the soil, of the undeveloped and undiscovered oil pools within the public domain, of the water-power sites of enormous financial potentiality.

It may be thought by some that the General Land Office is a matter of local concern to those living on or near what is or has been the public domain. As a matter of fact, the administration of this office profoundly affects the citizens of every State of the Union, even of those States where for years, if ever, there has been no such thing as a public domain. The discovered or potential wealth in or underlying the national domain belongs to all of the people of the United States, and the general economic well-being of the entire country would be adversely affected in a drastic manner if suddenly, through some cataclysm of nature, this vast national wealth should disappear overnight.

THE GEOLOGICAL SURVEY

This was established under the act of March 3, 1879. It is concerned with the discovery, appraisal, and development of natural resources, including water power. Its work represents a combination of highly practical and scientific services. Its principal activities are the making of topographic and geological surveys, the gaging of streams, the classification of lands by field examination, the supervision of mineral leasing on public lands, and the investigation of mineral resources in Alaska. It goes without saying that undiscovered or undeveloped mineral wealth is of no benefit to the people. In bringing to light sources of vast mineral wealth so as to permit of its development, the Geological Survey has been of inestimable value to the people. Coldly scientific in its interests and in its approach to its problems, its opinion on any matter within its jurisdiction is recognized everywhere as being the last word.

BUREAU OF RECLAMATION

This Bureau was established under the act of June 17, 1902. It is charged with the duty of developing the agricultural possibilities of the arid and semiarid regions of the United States. The present total area irrigated from Government works comprises 2,846,607 acres, with a crop value in 1931 of \$73,960,377. The total crop value of irrigated-land crops from 1906 to 1931, inclusive, reaches the impressive figure of \$1,835,889,877. For the work of this Bureau appropriations are made from the reclamation fund, which is a revolving fund consisting of revenues from public lands and repayments by water users in the reclamation districts. The projects are supposed to be self-liquidating, and nearly all of them are managed by local water-user organizations. The major construction job now being handled by this Bureau is the Colorado River project, which includes Boulder Dam and the All-American Canal. Beginning with the fiscal year of 1931, and up to and including the fiscal year 1934, a total sum of \$56,660,000 has been appropriated for this project, which, in the end, exclusive of the all-American canal, will cost a total of approximately \$125,000,000, to be repaid by income earned under contracts made with various municipalities that are to enjoy the fruits of the enterprise. The construction contract calls for the completion of the dam within 7 years, and the work is now about 15 months ahead of schedule.

OFFICE OF EDUCATION

This Bureau was originally established as a department under the act of March 2, 1867, and became a part of the Interior Department in 1869. Its functions are research and the dissemination of data on education. Its personnel consists mainly of specialists in the various branches of educational work. It has no administrative functions. It is a scientific bureau intended to collect and furnish accurate information relative to schools, based on careful studies, for the purpose of stimulating those engaged in education throughout the United States to an ever higher standard.

INSTITUTIONS

Howard University, established by the act of March 2, 1867, is an institution of higher education for the colored youth of the Nation in the liberal arts and sciences, in medicine, law, and re-

ligion. It is the largest Negro university in the world. The Government, through the Interior Department, contributes to the salaries and general expenses of the university, which, however, is administered independently of this Department.

Freedmen's Hospital, originally under the control of the War Department, was transferred to the Interior Department by the act of June 23, 1874. It provides medical and surgical treatment for negroes.

St. Elizabeths Hospital was established under the act of March 3, 1855, and is a class A institution for the treatment of mental diseases of men in the Army and Navy and of residents of the District of Columbia.

Columbia Institution for the Deaf cares for the deafmutes of the States and Territories and of the District of Columbia. It was established by the act of February 16, 1857.

TERRITORIES

Alaska, Hawaii, and the Virgin Islands are among the administrative responsibilities of the Department of the Interior.

The gross area of Alaska, both land and water, is approximately 586,400 square miles, and its population, according to the 1930 census, is 59,278. In area it is roughly equivalent to the combined areas of the States of North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Illinois, Missouri, and Kansas. Purchased originally from Russia in 1867 for \$7,200,000 in gold, its minerals alone have been a source of vast wealth to the United States, without taking into account other unexplored and undeveloped mineral riches of probably tremendous proportions. Gold, copper, silver, and minor mineral products have already been produced to the total value of about \$650,000,000. In addition the fisheries of Alaska have yielded about \$950,000,000. Here we have a total of \$1,600,000,000 in round figures—not a bad return on an original investment of a little over \$7,000,000.

The United States Government has built and now owns and operates a railroad in Alaska 479 miles in extent. We also own two steamships. One, the *North Star*, operates between the water terminus of this railroad and Seattle, thus providing for freight and passenger traffic between ports in Alaska and the United States proper and as far north as Point Barrow in the Arctic Circle. The other, the *Bozeler*, will ply between ports in Alaska, carrying medical supplies, fuel, etc.

Besides fostering important commercial salmon and seal fisheries already referred to, a comparatively new Government enterprise in Alaska has been the development of a reindeer herd for the benefit of the natives. This herd is now estimated at 800,000 head.

Hawaii, while technically within the jurisdiction of this Department, is practically self-supporting, and except for the appointment of a governor by the President, is in effect independent, administratively, of the Federal Government.

The Virgin Islands, originally purchased from Denmark, were transferred to the Interior Department from the Navy Department in 1931. The Department has purchased land in the islands for homesteading and is engaged in readjusting families on the land in the Island of St. Croix. Our chief concerns are to make these islands economically self-sufficient, to raise the standard of living, and to improve the system of education. Serious problems are presented here but we are hopefully trying to solve them.

Varied and interesting are the component parts of the Department of the Interior already enumerated. We come now to two bureaus which are more appealing to the imaginations of a greater number of people than any of the other activities within our jurisdiction. I refer, of course, to the Bureau of Indian Affairs and the National Park Service.

What boy has not felt repeated thrills as he has listened to tales of the original Americans or read the pages of such a book as *The Last of the Mohicans*? Generally speaking, we have been taught to regard the Indian either as a highly romantic, noble figure or as a cunning and revengeful savage. We have not, at any rate until recently, looked upon him as a fellow human being. Because his habits and customs and religion have been different from ours, because he has spoken a different language, because he has preferred to live his own life and develop his own culture we have put him outside the pale. As the dominant race, we have pressed him ever backward, ruthlessly and greedily taking from him his fertile soil and his rich resources.

Now the Indians are herded in reservations located in widely separated parts of the country. They are wards of the Government and until a new and more humane concept of our duties and responsibilities began to dawn on us not many years ago, we resolutely kept them outside our consciousness except when we saw them dancing and performing, always in roles inferior to the white man, in our wild-west shows. It was no concern of ours if they lived in squalor and ignorance, restricted to inhospitable areas whittled out of a vast domain that until the coming of the white man was theirs by immemorial right of possession. If they were cold and hungry and diseased it was their own fault. We did not know about the under-feeding, to the very point of starvation, of their children. We did not want to know. Why should our smug self-satisfaction be disturbed?

But gradually a different and more humane attitude has been adopted by the Government toward the Indians. Slowly, perhaps even grudgingly, we have come to admit that we have a moral responsibility that we can no longer evade. We have discovered to our surprise that the Indian is not only a human being but, if given a chance, a likable and interesting human being. We have found out that there is something of value in the culture of the American Indians. We know now that in the Southwest, notably in New Mexico and Arizona, are well-developed civiliza-

tions that go back to a time centuries before the white man ever set foot on American soil. We can even see a value—a dollars-and-cents value—in fostering the arts of the Indians which we have come to appreciate. Men boast of Indian blood in their veins. Women of culture and artistic perceptions in our eastern cities are proud of the fine rugs and other Indian artifacts in their homes. They wear artistic jewelry fashioned out of Mexican pesos and raw turquoise by the skillful hand of the Navajo silversmith working with only the crude implements of hammer and anvil. American artists of the first rank flock to the Southwest to paint colorful pictures of native Indian life and native Indian pueblos which we buy at large prices proudly to display on our walls.

We can even see something worth while in the age-old ceremonials of the Indians. By the thousands tourists flock into the desert spaces of New Mexico and Arizona to see the buffalo dance, the corn dance, the shaliko, and that most sensational of all native ceremonies, the snake dance.

The policy of the Bureau of Indian Affairs is to help the Indian to help himself. We want to protect him in his property rights. We want to prevent further ruthless exploitation. We want to encourage him to live his own life in his own way. We want the white neighbors of these original Americans to learn to respect their religions and their ceremonies. We want the Indians themselves to rebuild and develop their own cultural life. Our policy is to encourage both races to live together in mutual tolerance and understanding.

The national parks and monuments are among the most cherished possessions of the people, and the National Park Service which operates them is outstanding as an efficient and understanding agency of the Government.

Until recent years practically all of the national parks were in the West, where natural phenomena and areas of rare beauty and charm insistently called for preservation for all time to come. But so great a want were these western parks found to fill that the Government decided to develop a park system in the East, so that we now have or are about to have the Shenandoah National Park in Virginia, Isle Royale in Michigan, the Great Smoky Mountains National Park in Tennessee and North Carolina, the Morristown National Park in New Jersey, which will be dedicated to the United States Government on July 4, and the Acadia National Park in Maine. In addition to these great playgrounds the historic Mammoth Cave in Kentucky will soon be the property of the United States.

In acquiring and developing these parks and monuments the Federal Government has been generously assisted by some of the States and by citizens either acting individually or in association with each other. The State of Virginia by appropriating \$1,000,000 and raising an additional \$1,000,000 by popular subscription, including \$50,000 given by Mr. Edsel Ford and \$200,000 by Mr. John D. Rockefeller, Jr., has acquired the land for the Shenandoah National Park, which will be turned over to the United States Government as soon as a few remaining technical questions of title have been solved. The States of Tennessee and North Carolina have opened their purses to acquire that wonderful and mysterious section of wooded heights now known as the "Great Smoky Mountains National Park." In buying this area these two States have also leaned heavily upon the generosity of Mr. Rockefeller, who has put into the enterprise \$5,000,000, matching an equal amount paid by the two States mentioned.

An organization of patriotic women under the leadership of Mrs. Josephine Rust, and encouraged by a gift of \$113,000 from Mr. Rockefeller, is responsible for the rebuilding and development of Wakefield, the birthplace of George Washington, and its dedication as a national monument to the Federal Government. Citizens of New Jersey, inspired by an offer of \$300,000 by Mr. Lloyd Smith, of New York, have contributed to the purchase of the Morristown National Park.

Stephen T. Mather, of Chicago, in whose honor a memorial tablet will be dedicated at Bear Mountain in the Palisades Park on May 27, was the man who dreamed a dream of what the national parks ought to mean to the people. It was he, who, as director of the National Park Service, had the foresight to lay, deep and wide, the foundations upon which we have been building ever since. Out of his comparatively modest fortune he contributed, while in the Government service, several hundred thousand dollars to the development of the parks and the upbuilding of the Park Service. William Kent, at one time also a citizen of Chicago, and later a resident of, and Congressman from, the State of California, bought and dedicated Muir Woods to the National Government, thereby saving a fine grove of the great redwood trees, which, but for his intervention, would long ago have succumbed to the woodsman's ax.

But the one man who has done most to help us realize the ideals that Stephen T. Mather and Horace Albright, his successor in the service, have had with respect to our national parks is Mr. John D. Rockefeller, Jr. Unostentatiously, but with rare imagination and unmatched liberality, he has already actually given some \$10,000,000 for our national parks and monuments, and before he shall have reached the end of his rainbow his generosity will be expressed in the startling figures of approximately \$25,000,000, poured out in order that our children may have preserved for their enjoyment and inspiration those glorious areas of trees and wild flowers, of beautiful lakes and limpid streams, of towering mountains and expansive meadows, where vast herds of native animals graze, secure from the huntsman.

I have already enumerated some of the items that go to make up this total. Another of Mr. Rockefeller's gifts was that of \$1,500,000

to enlarge the Teton National Park in Wyoming. When the great sugar-pine forest which is now part of the Yosemite was threatened with destruction he found \$1,650,000 to save it. He is spending \$4,000,000 for a system of highways in Acadia National Park in Maine and land in the park itself he has already given of the probable present value of \$500,000. Special mention should also be made of the additional \$7,000,000 already expended toward his brilliantly conceived restoration of Williamsburg, Va.

Generosity this, which stirs our sentiments and appeals to our imagination, poured out on national projects which likewise stir our sentiments and appeal to our imagination. Where else in the world can such an investment in a dream be matched? Individuals and States have joined with the United States to preserve such wonders of nature as are so lavishly displayed in Yellowstone Park. Magnificent specimens of the oldest living things in the world, the giant Sequoias, happily preserved from being turned into shingles and posts, will continue to stand sentinel over the coming and going of countless generations of men. Snow-covered peaks will forever tower in their majesty in Glacier and Rocky Mountain and Mount Rainier Parks for the inspiration of mankind.

A generous and noble heritage this to pass on to our children. A heritage made possible by the vision and generosity of men.

Mr. FISH. Mr. Speaker, I ask unanimous consent to speak out of order for 10 minutes.

Mr. BYRNS. Mr. Speaker, reserving the right to object, I wish the gentleman would couple that with the request that the gentleman from Washington may address the House for 5 minutes immediately following the gentleman from New York.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, I objected this morning because I was afraid the gentleman from New York was going to make some adverse criticism of the soldiers from our districts who are coming to Washington. The gentleman since then has assured me that he had no such intention. He was only to warn them, he said, against certain communistic leaders in Washington. Therefore I withdraw any objection.

Mr. GREEN. Reserving the right to object, I should like to know if the gentleman from New York is going to rehash the deplorable Scottsboro case in Alabama? If not, I have no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, reserving the right to object, in regard to keeping a quorum here tomorrow, if every Member who speaks will remain we will have a quorum. The trouble is that as soon as a speaker makes his speech he leaves the House.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for 10 minutes and the gentleman from Washington 5 minutes. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I assure the gentleman from Texas [Mr. BLANTON] that I do not intend to make any reflections on those veterans who have been invited here from congressional districts, the 20 veterans from each congressional district, to participate in this so-called "convention" next week. I am one of those who believe that 98 percent of the veterans of the United States are loyal and patriotic and can be depended upon at all times. [Applause.]

The veterans in the United States, however, were shocked a few days ago when they read in the newspapers an announcement, issued from the White House, by the Veterans' National Liaison Committee, with the approval of Colonel Howe, the Secretary of the President, that a convention was to be called here in Washington by this group between May 12 and May 18, and that, with the consent and cooperation of the President and of the administration, these veterans would be housed and fed at Government expense, if necessary. The great veterans' organizations in America, the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, feel that they have been betrayed because they know that the Veterans' National Liaison Committee is inspired and led by Communists and has been repudiated by all veteran organizations incorporated under the laws of Congress.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I cannot yield; I am sorry. I should like to, but I cannot.

Mr. McFARLANE. I wonder if the gentleman is speaking as the official representative of these organizations.

Mr. FISH. I have spoken with the national legislative representatives of all of those organizations, and after having read their own statements to the press, I understand that all of them were requested by the White House to use their influence with their members to prevent a bonus march on Washington, and that they all did cooperate to the fullest extent. Naturally they are disgusted at the action of the White House in recognizing a red organization sponsored by Communists and securing time over the Columbia Broadcasting System to summon veterans to Washington. Those organizations are opposed to holding this convention in Washington, because they know that those who have inspired it, who have organized it, who have led it and are still leading it, are mostly Communists or affiliated with Communist activities. Mr. Newlin, the national adjutant of the Bonus Expeditionary Forces, from Pittsburgh, went to the White House a few days ago and explained to Colonel Howe that one of the leaders, Emanuel Levin, was a Communist. The secretary said, "How do you know that he is a Communist, and how do we know anything about you?" I take this opportunity to place before you the record of Emanuel Levin, one of the active members of this committee and also the head of the Workers Ex-Service Men's League, an out-and-out Communist organization, and a former editor of the Daily Worker, the official organ of the Communist Party.

Mr. PATMAN. Will the gentleman yield?

Mr. FISH. I have not the time. I cannot yield.

Mr. PATMAN. Then I shall make the point of order that there is no quorum present.

Mr. FISH. Very well; I yield for a brief question.

Mr. PATMAN. Mr. Levin is not a veteran of the World War, and he would not be in a position to have anything to say if they have a convention here.

Mr. FISH. Mr. Levin is an active and leading member of the National Veterans' Liaison Committee. He has been up to the White House several times himself, and was there this morning, and Mr. Newlin informed the press that when he told them Levin was a Communist he was told that they did not know he was a Communist.

Mr. PATMAN. He cannot participate in the convention.

Mr. FISH. The record shows that this man, Emanuel Levin, who still is a leader of the Veterans' National Liaison Committee, and recognized as such at the White House, is not a veteran. He was asked by Mr. MILLIGAN at a hearing before the Joint Congressional Committee on Veterans' Affairs, held on February 2, 1933:

Are you a veteran of the World War?

He replied:

I am not a World War veteran. I served in the United States Marine Corps.

Mr. MILLIGAN. During peace times?

Mr. LEVIN. During peace times.

Later on Mr. Chipfield asked him:

I should like to ask you this question: Are you connected with the Communist group? I am not asking whether you are a member of the Communist Party.

Mr. LEVIN. It is a matter of record. I am a member of the Communist Party.

He is one of the main leaders, if not the actual leader, of the Veterans' National Liaison Committee, on which are also James W. Ford, a Negro, who was the Communist Vice-Presidential candidate in the last election. On that committee also is a man named Harold Hickerson, whom I do not know, but who is an influential Communist, according to Robert Dessoff, the national legislative representative of the B.E.F., who was a member of the liaison committee, but resigned because of its Communist propaganda, activities, and affiliations. Then there is Alfred Sellers, one of the few men who was actually connected with the B.E.F., and who, I am informed, signs his letters "Yours for the revolution." These are some of the leaders of the committee that organized the V.E.F. convention that has been called here in Washington, practically with the consent and approval of the administration.

I rose for the specific purpose of calling attention to the record of these men, so that your people back home, your veterans, who want the bonus, and who have a right to ask for it, will not come here without knowing the facts that the proposed V.E.F. convention has been organized, inspired, and led by Communists.

Mr. KVALE rose.

Mr. FISH. Of course I will say to my friend from Minnesota that there are one or two members on that committee whom the gentleman knows who probably are not Communists. So far as I know, I have no record that they are Communists, but the majority of this liaison committee, which has organized the convention in Washington, are out-and-out Communists. I am not rising here to inject politics into this discussion or to impeach the White House. The White House evidently does not know the facts. They said so themselves, that they did not know that Levin is a Communist, but I presume when they find out the facts—as Al Smith says, "Let us look at the record"—when they find out the record of these members of the committee, and that a majority of them are Communists or affiliated with Communist activities, I hope the White House will repudiate this convention, and I hope it will do so tomorrow morning, because the record is undeniable, so far as a majority of the members of the Veterans' National Liaison Committee are concerned.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. BLANTON. If these soldiers were able to take care of themselves on the battlefronts of France, do you not think that when they come here they will be able to properly manage a bunch of Communists? They are not going to let these Communists control them.

Mr. FISH. The gentleman asks me that question, and I am glad to answer it.

I think that is exactly what will happen. I believe the members of the old B.E.F., 95 percent of whom were loyal American citizens and will not tolerate communism, when they come here of their own accord and find that this V.E.F. convention is led and controlled by Communists, of course there will be trouble in the city of Washington. The B.E.F. veterans have a right to be incensed as no quarters or food have been provided for them whereas the Communists are to be taken care of.

Mr. BLANTON. They will put them in the Anacostia River. The 20 soldiers who will come here from my district will be the kind who will put the fear of God in the hearts of all Communists.

Mr. FISH. They will try to, but that is another matter. I am only rising to present the facts to the Congress about this particular convention and what will happen if the administration's plans are carried out. What the B.E.F., the Legion, the Veterans of Foreign Wars, or the Disabled American Veterans are going to do I do not know, but I do know that the members of the Legion, the Veterans of Foreign Wars, and the D.A.V. believe that they have been betrayed. They believe that they have been thrown over and cast aside in favor of a group that everyone knows except the White House is led by Communists. If you are going to invite any conventions of veterans to Washington, why not extend invitations through the American Legion, Veterans of Foreign Wars, the D.A.V., and the B.E.F., all of whom stand for American institutions and our Republican form of government. That is why they have a right to believe that they have been repudiated and betrayed, and I hope the administration, as soon as it finds out the facts and finds from the record that most of the leaders of the Veterans' National Liaison Committee are Communists, will reconsider their consent and their cooperation to feed and provide quarters for an organization that is not here to get the bonus, but an organization that will try to gather in all of the elements of the veterans which they can, for their own revolutionary purposes, in order to build up the Communist Party. That is the object of the meeting, and we in Congress do not want to have any part in it, and the administration, whether Democratic or Republican, should

not have any part in it either. If it does it will be a serious blunder and will help to promote the spread of communism among the veterans. It would be a travesty and a disgrace if American veterans are compelled to seek quarters and food from Communists who are preaching the overthrow of the Government.

Mr. KVALE. Will the gentleman yield?

Mr. FISH. I yield.

Mr. KVALE. Is the gentleman willing to except from that indictment the two members of the committee that I spoke to him about, namely, Mr. Brady and Mr. Williams, both of whom have been performing unselfish and thoroughly devoted tasks in behalf of their comrades?

Mr. FISH. I am, because I know nothing against them except that they are radically inclined; and, of course, they know they are associating with Communists, and that the Communists are in control of the liaison committee. That is the only thing I know against them. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. Fish] has expired.

Mr. LLOYD. Mr. Speaker, it is with some degree of trepidation and some reluctance that I trespass upon the time of the House at this hour of the day. However, I have laid upon the Clerk's desk today a resolution about which I desire to make some small explanation.

This resolution, in substance and effect, which I offer upon my own responsibility and ask the consideration of this House, is a resolution that provides for an amendment to the Constitution of the United States, in substance and effect, authorizing the Congress to limit the wealth of individual citizens; provided, however, that at no time shall the amount be fixed below the minimum fixed in the amendment, namely, \$1,000,000 per person.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. LLOYD. Yes; I yield, but I only have 5 minutes.

Mr. CHRISTIANSON. The gentleman meant maximum, did he not?

Mr. LLOYD. Minimum. For almost 60 days we have been in session; and while we have tried to do much, and I believe so far as the good of the country is concerned, we have done much—

Mr. BOYLAN. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. LLOYD. I yield.

Mr. BOYLAN. I wanted to ascertain whether or not the millionaires were walking out while the gentleman is making his address.

The SPEAKER. That is not a parliamentary inquiry. The gentleman will proceed.

Mr. LLOYD. For almost 60 days we have sat in extraordinary session, and my judgment is that all too little legislation of a permanently constructive character has been enacted or even planned, or is now contemplated.

Palliatives, to be sure, have been applied. We have subsidized the farmer and charged the cost to labor, and we are attempting to subsidize labor and propose to let the farmer pay the bill. We have inflated the currency without profit if the major portion of that inflated medium shall find its way into the hands of those who already possess an overabundance.

This resolution proposes that once and for all we shall lay the ax of legislative enactment at the tap root of the evil; that we shall cease to equivocate and bravely face a condition, not of our choosing, that has been the natural and inevitable result of a progressive civilization, and in the interest of the future of all of our people, place a definite limitation on the acquisition and ownership of wealth.

I could point out in logical sequence the causes that have brought about our present conditions, but even the effort is foreshadowed by futility since the fact remains that the vastly major proportion of our national wealth is enjoyed by a startlingly small number of our people. There is no thinking man in our Nation but who knows that the only reason there is a widespread poverty is that wealth and the ownership of wealth has become centralized—the only reason many men are too poor is because a few men are too rich.

In a country like ours, blessed with an abundance of all that the needs of men require, poverty among those who are willing to work should be an accident rather than a universal habit, and a system of government that makes widespread poverty possible is neither just nor economically sound.

I do not seek to destroy wealth or industry, but I do purpose to place the burden of public expense and national development upon the shoulders of those best able to bear that burden and those who have profited most. I would have the strong help the weak rather than have the weak forever carrying the strong. I would have fewer billionaires and more millionaires, and more opportunity for every man to acquire a little fortune. I purpose in the main to bring up the poor and bring down the rich into the class of the average man, where all may find real happiness and where we may know a widespread national prosperity.

I recognize in this proposed amendment the right of every man to strive for gain, within reasonable limits, not inconsistent with the rights of every other man, and recognize, too, the oft-proven fact that no tyranny is more cruel than the tyranny of a temporary majority. So I have deemed it wise to place a limit beyond which Congress may not go in equalizing fortunes that will insure to every man the exercise of the maximum amount of initiative.

I am not insensible to the fact that this portends a radical departure from preconceived concepts of the rights of property, but I recognize that a condition has grown upon us that the founders of this Government could not have foreseen. I am committed to the doctrine that it is the natural and inalienable right of every man to own and control the property that he may earn or create, but I recognize the fact that not only the happiness of our people but the entire future of the capitalistic system is dependent upon its submission to reasonable regulations and restraints.

Unusual times may demand unusual measures, but the test by which every policy of legislation must be judged is the test of whether it be in itself constructive or destructive. Even though it be new and untried, if it promises a constructive program that will rebuild our industry and reestablish our people, it is worthy of consideration by those whose duty it may become to find a way out of the fog of discontent and uncertainty and fear that now surrounds us. New conditions always have required and will always require new thoughts and new inventions, and new ills will require new remedies.

The world is moving on flying wheels and speeding wings into an unexplored future, and men of faith and vision must be found to guide the way. May we have the faith and vision of those brave men whose brains conceived a free and happy people in the Nation that was to be, and may we meet our problems with the same directness of purpose that guided them. [Applause.]

The House joint resolution is as follows:

House Joint Resolution 178

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three fourths of the several States:

"ARTICLE —

"SECTION 1. Congress shall have power to limit the wealth of the individual citizens of the several States, Territories, and the District of Columbia and of all persons owning property within the jurisdiction of the laws of the United States.

"SEC. 2. No law shall be enacted fixing the maximum amount of wealth allowed to any one individual at a sum less in value than 1,000,000 gold dollars, 25½ grains, nine tenths fine.

"SEC. 3. The power of levying and collecting taxes for revenue under the existing articles of the Constitution and the amendments thereto shall be in no wise abridged.

"SEC. 4. All sections of the Constitution of the United States inconsistent herewith are suspended for the purpose of carrying this article into effect.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment of the Constitution by conventions in the several States, as provided in the Constitution, within 7 years from the date of the submission hereof to the States by Congress."

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SO-CALLED "BONUS MARCHERS"

Mr. PATMAN. Mr. Speaker, I do not favor a march on Washington by veterans of the World War. I am not in sympathy with it. Those who are encouraging it no doubt believe it will be helpful, but I believe it is calculated to be harmful to their cause. It is my understanding that a convention and not a march is proposed. Probably the present administration is facing a condition rather than a theory. The last administration had in the Capital City a large number of veterans of the World War; and if the administration had handled the situation more diplomatically, I believe those veterans would have left here in 10 days and there never would have been the least trouble in the world.

CONDITION AND NOT A THEORY

The present administration is facing a situation about which some of the Members of this House do not know. The administration is handling it in a way that will be satisfactory to the Congress and to the country. Less harmful results will develop than would otherwise develop.

I think the administration is to be commended for its efforts rather than condemned. I assure the Members of this House that what I know about the situation is that no one connected with the administration—and I am not speaking for the administration, I have no right to, but I am just giving you the benefit of my limited knowledge on the subject—is in sympathy with a march on Washington by the veterans of the World War or by any other group. On the other hand, I believe the administration recognizes that they should not be discouraged from peacefully assembling and presenting their views.

THIS IS A FREE COUNTRY

It is true the veterans believe they have the right to come here, and they do have a right to come here. The so-called "Economy Act" has caused many of them to have a grievance. They believe the payment of the adjusted-service certificates will help the country. They have a right to be in Washington. They have a right to be in New York City. They have a right to be any place in the United States. This is a free country, and no one should attempt to deny them this right. But I do believe they are exercising poor judgment in attempting to enforce their views and their judgment by a march on Washington. There is a difference in having a convention in Washington, or veterans coming to Washington, and a march on Washington.

NO REFLECTION ON VETERANS' ORGANIZATIONS

I do not believe it is a reflection on the disabled American veterans or the Veterans of Foreign Wars or the American Legion for the reason that they will have a right to participate in the convention the same as veterans who do not belong to any organization. If I understand the plan correctly, it is to prevent, to prohibit, the very thing the gentleman from New York complained about. He said he was apprehensive that these veterans were going to be led by Communists. If they do come here unorganized, without any program, without any means of support, without any food, or without any shelter, do you not think a worse condition is created and more harm done to the cause of the veterans, most of them coming from just a few cities, than if a plan is worked out whereby a few will come from each congressional district in the United States? In other words, instead of having 10,000 come here from a few large cities, Communists—I mean a large number of them Communists; I do not mean to say that all of them are Communists. I think very few of them are, very few. Practically all of them are good, loyal, patriotic American citizens. Many of them have spilled their blood upon foreign soil for this country. They are entitled to be heard.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield for a question.

TWO GROUPS ASSEMBLING

Mr. BULWINKLE. I wish to make a statement, not ask a question. There are two different groups coming here. One is purely a Communistic organization, as the gentleman from New York City said. I have the literature in my office if the gentleman wants to see it.

Mr. PATMAN. I do not doubt but what there are a large number of Communists coming here. I regret this exceedingly. But I want to say, Mr. Speaker, that the veterans of the World War are not going to be misled or deceived by a few Communists. They were not the last time and they are not going to be this time. I know the last time they were here it was said the Communists had control, but instead of their encouraging communism, they were an answer to communism. They kept the Communists under control.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. They conducted themselves in a very commendable manner.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FISH. Is it not a fact that the B.E.F., who were here last year and who conducted themselves in a satisfactory way, are opposed to this whole convention being held here?

Mr. PATMAN. It is not my understanding that they are. Albert G. Sellers, one of the three incorporators and national treasurer of the B.E.F., as I understand, is behind this movement and is one of the leading officials in the National Liaison Committee which the gentleman says has been conferring with the White House. Three of the other four members of the committee, I understand, are former members of the B.E.F. I understand the chairman of the committee, George D. Brody, enlisted a few hours after war was declared, April 6, 1917, and was in five major engagements in France.

Mr. FISH. The gentleman understands that Waters, Carter, Newlin, Dessop, and Thomas and practically all the other leaders are very much against it.

Mr. PATMAN. I understand they are very much divided on it, but the gentleman must realize we are facing a condition we must deal with in the best possible manner, and I may say that if the last administration had left it to General Glassford to handle in the human, diplomatic way that he has always handled every situation I ever knew about, they would never have had any trouble; and if the veterans want to come here, and they are coming here, I insist that it is much better for them to come as good veterans from all sections of the country, from every congressional district, if you please, and be permitted to assemble here peacefully and present their views to Congress and to congressional committees, say their pieces—in other words, get it out of their system—and tell the country what they want and what should be given to them, and then peaceably go back home—I much prefer this to a large number coming here from a few large cities, and a large number of them would be Communists. I will listen to them and give consideration to their views, and I believe all the other Members of Congress will consider any petition they may present.

Mr. SNELL. Will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. SNELL. It is reported in the papers that Colonel Howe said they would be fed by the Federal Government. Can the gentleman give us any information about that or tell us what right any man has to say that the Federal Government will appropriate money to feed any aggregation of citizens that comes to Washington?

Mr. PATMAN. The information I have is from a statement given out, it is said, from the White House, although not by the White House, that last year there was appro-

priated by this Government \$40,000 to entertain veterans of the World War from France. There remains an unexpended balance in this fund, and as I understand, it has been suggested that the portion of that fund which remains unexpended, and which was to be used to entertain World War veterans from France, be used, if necessary, to shelter and feed those who attend this convention and who do not have any means of support and cannot otherwise provide accommodations for themselves.

Mr. SNELL. But no one has any right to promise that for Congress.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent to proceed for one half minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, I do this in order to tell the gentleman from Texas [Mr. PATMAN], and I am sure he will be glad to have the correction, that the authorship of the statement to which he refers is with that Veterans' Committee and not with the White House.

Mr. PATMAN. The gentleman is correct, and I thank him for making my statement plain.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CROWE, for the week, on account of urgent business.

To Mr. BEITER, for 1 day, on account of important business.

To Mr. ZIONCHECK, for 2 days, on account of important business.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following communication:

WASHINGTON, D.C., May 8, 1933.

Hon. H. T. RAINY,

Speaker House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I wish to tender my resignation from the Committee on Enrolled Bills, to take effect at once.

Yours very truly,

A. C. WILFORD, Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Speaker will not be here tomorrow, and, therefore, appoints the gentleman from North Carolina [Mr. BULWINKLE] as Speaker pro tempore.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 48. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H.R. 1596. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;

H.R. 4127. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River near Conway, S.C.; and

H.R. 4491. An act to extend the times for commencing and completing the construction of an overhead viaduct across the Mahoning River at Struthers, Mahoning County, Ohio.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p.m.) the House, in accordance with its previous order, adjourned until tomorrow, May 10, 1933, at 11 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. House Joint Resolution 159. A joint resolution granting the consent of Congress to a compact or agreement between the State of Kansas and the State of Missouri authorizing the acceptance for and on behalf of the States of Kansas and Missouri of title to a toll bridge across the Missouri River from a point in Platte County, Mo., to a point at or near Kansas City, in Wyandotte County, Kans., and specifying the conditions thereof; with amendment (Rept. No. 114). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. H.R. 5569. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; without amendment (Rept. No. 119). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONTET: Committee on Military Affairs. H.R. 491. A bill for the relief of Arthur I. Neville; with amendment (Rept. No. 115). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 992. A bill for the relief of Beryl M. McHam; without amendment (Rept. No. 116). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 1015. A bill for the relief of Frank D. Whitfield; with amendment (Rept. No. 117). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 3492. A bill for the relief of Harry C. Anderson; with amendment (Rept. No. 118). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H.R. 5533) granting an increase of pension to Eliza Alby; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H.R. 5550) granting a pension to Frank Milner; Committee on Claims discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD: A bill (H.R. 5569) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. BLOOM: A bill (H.R. 5570) to extend the period during which certain aliens may remain in the United States; to the Committee on Immigration and Naturalization.

By Mr. McLEOD: A bill (H.R. 5571) to prevent losses to bank depositors by providing a Federal guaranty of bank deposits and to increase the stability and safety of the Nation's banking structure; to the Committee on Banking and Currency.

By Mr. LLOYD: Joint resolution (H.J.Res. 178) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WHITE: Resolution (H.Res. 138) providing for the consideration of S. 7, an act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Rules.

By Mr. WOODRUM: Resolution (H.Res. 139) for the payment to Fannie E. Wright of an amount equal to 6 months' compensation of the late J. W. Wright; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Senate of the State of Texas, expressing deep regret at the untimely passing of Congressman Clay Stone Briggs and extending sincere and deepest sympathy to his widow and children in their bereavement; to the Committee on Memorials.

Also, a memorial of the House of Representatives of the State of Texas, expressing deepest regret at the untimely passing of Congressman Clay Stone Briggs and extending sincere and deepest sympathy to his widow and children in their bereavement; to the Committee on Memorials.

Also, a memorial of the Senate of the State of Pennsylvania, requesting Congress to reject any legislation to compel blending alcohol with gasoline; to the Committee on Ways and Means.

Also, a memorial of the Territory of Hawaii, memorializing Congress to amend section 41 of the organic act of Hawaii to the end that regular sessions of the legislature be held in Honolulu on the third Wednesday in March in every odd-numbered year; to the Committee on the Territories.

Also, a memorial of the Legislature of the State of Colorado, requesting immediate passage of an act by the Congress of the United States providing for the construction of a drain through the "closed basin" of the Rio Grande in the State of Colorado, and for the surveying of a suitable site for a reservoir, toward the development and conservation of the waters of the Rio Grande Basin in the States of Colorado, New Mexico, and Texas; to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKEWELL: A bill (H.R. 5572) for the relief of William J. Roper; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H.R. 5573) for the relief of John A. Nehmer; to the Committee on Claims.

By Mr. DICKINSON: A bill (H.R. 5574) granting a pension to Mary E. Mecomber; to the Committee on Invalid Pensions.

By Mr. GILLETTE: A bill (H.R. 5575) for the relief of Frederick Henry Pollman; to the Committee on Military Affairs.

By Mr. GRANFIELD: A bill (H.R. 5576) granting a pension to Ellen Scully; to the Committee on Pensions.

By Mr. HOPE: A bill (H.R. 5577) granting a pension to Sadie Hainline; to the Committee on Invalid Pensions.

By Mr. IGLESIAS: A bill (H.R. 5578) for the relief of Carlota Ballesteros; to the Committee on Claims.

Also, a bill (H.R. 5579) for the relief of Julia Santiago; to the Committee on Claims.

Also, a bill (H.R. 5580) for the relief of María Miró Menéndez; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H.R. 5581) granting an increase of pension to Olive J. Ebert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 5582) for the relief of John H. Gatts; to the Committee on Claims.

By Mr. McFARLANE: A bill (H.R. 5583) for the relief of R. F. Lane; to the Committee on Claims.

By Mr. McLEAN: A bill (H.R. 5584) for the relief of William J. Kenely; to the Committee on Claims.

By Mr. MARTIN of Oregon: A bill (H.R. 5585) for the relief of William Francis Kimsey; to the Committee on Naval Affairs.

By Mr. MURDOCK: A bill (H.R. 5586) for the relief of the parents of the late William Lloyd Parker; to the Committee on Claims.

By Mr. TABER: A bill (H.R. 5587) granting a pension to Sarah E. Schott; to the Committee on Invalid Pensions.

By Mr. WILLIAMS: A bill (H.R. 5588) for the relief of A. H. Marshall; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

959. By Mr. ANDREW of Massachusetts: Petition adopted by city council, Cambridge, Mass., urging passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization of Brig. Gen. Thaddeus Kosciuszko, and of his illustrious service during the war for independence; to the Committee on the Post Office and Post Roads.

960. Also, resolution of the Chamber of Commerce of the Tonawandas, North Tonawanda, N.Y., recommending legislation for formation by the Government of a home-rehabilitation bank corporation; to the Committee on Banking and Currency.

961. By Mr. CULLEN: Petition of Brooklyn Council-Kings County, Veterans of Foreign Wars of the United States, requesting that the remuneration and emoluments of the retired Army and Navy officers be readjusted and bear the same proportion of reduction in the interest of economy that the battle-scarred, wounded, and disabled veterans of all wars of the United States are bearing at this time and urging the Congress to prepare bills to effectuate this measure immediately; to the Committee on World War Veterans' Legislation.

962. By Mr. CUMMINGS: Memorial of the Senate and House of Representatives of the State of Colorado, requesting the immediate passage of an act by the Congress of the United States providing for the construction of a drain through the closed basin of the Rio Grande in State of Colorado, and for the surveying of a suitable site for a reservoir toward the development and conservation of the waters of the Rio Grande Basin in the States of Colorado, New Mexico, and Texas; to the Committee on Irrigation and Reclamation.

963. By Mr. FORD: Petition of the Legislature of the State of California, adopted January 26, 1933, memorializing Congress and the legislatures of the several States of the Union to cooperate in a program to give recognition to the services rendered the Nation by the volunteers who fought the War with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on the Judiciary.

964. Also, memorial of the Legislature of State of California, relative to memorializing the Congress of the United States to adopt legislation protecting and fostering the rubber industry of the United States; to the Committee on Ways and Means.

965. Also, memorial of the Legislature of State of California, relative to approval by the President of the United States of a project for the completion of the John Muir Trail under the provisions of act of Congress approved March 31, 1933; to the Committee on Rules.

966. By Mr. LAMNECK: Petition of Theodore Lindenberg, S. N. Bickerstaff, C. W. McKenzie, and 25 other citizens of the city of Columbus, Ohio, protesting against proposed reductions in the number of officers or enlisted personnel in the United States Army, Navy, or Marine Corps, suspension of the National Guard and Reserve Officers' Training Corps training camps, suspension of Federal aid to military schools, and reduction in pay to Army, Navy, or Marine Corps Air Service flying officers; to the Committee on Appropriations.

967. By Mr. LINDSAY: Petition of Railway Express Employees, Local 808, International Brotherhood of Trainmen, New York City, concerning deficit in the Post Office Department; to the Committee on the Post Office and Post Roads.

968. Also, petition of Whitestone Association, Local No. 1, New York City, favoring enactment of the Black-Connery 30-hour week bill; to the Committee on Labor.

969. Also, petition of P. S. Harrison, editor Harrison's Reports, New York City, favoring the Sirovich resolution (H.Res. 95); to the Committee on Rules.

970. Also, petition of General Credit Corporation, New York City, favoring Senate bill 747 and House bill 4551; to the Committee on Banking and Currency.

971. By Mr. McFADDEN: Petition of the executive committee of North Valley County Farmers' Union, of Montana, signed by S. A. Hinerman, Mrs. R. L. Cookson, E. A. Eliason, John H. Le Corner, and W. R. Hinerman, calling for abolishment of the Federal Reserve System, that the United States issue non-interest-bearing Treasury notes, that Congress enact the Frazier farmers' farm relief bill, pay the soldiers' bonus, etc.; to the Committee on Banking and Currency.

972. Also, petition of Wyalusing Local of the Dairymen's League Cooperative Association, Inc., by Frank Rought, secretary, Sugar Run, Pa., opposing restrictions of use of motor trucks on highways, the placing of trucks under jurisdiction of Public Service Commission, classification as common carriers, and favoring reciprocal agreements with States as to licenses; to the Committee on Interstate and Foreign Commerce.

973. By Mr. RUDD: Petition of Railway Express Employees, Local 808, International Brotherhood of Trainmen, New York City, favoring increased postage rates sufficient to pay the cost of handling; to the Committee on the Post Office and Post Roads.

974. Also, petition of General Credit Corporation, New York City, favoring the passage of Senate bill 747 and House bill 4551; to the Committee on Banking and Currency.

975. Also, petition of Whitestone Association, Local No. 1, New York City, favoring the passage of the Black-Connelly 5-day week and 6-hour day bill (S. 158 and H.R. 4557); to the Committee on Labor.

976. By Mr. SMITH of West Virginia: Resolution of the members of the John Brawley Post, No. 20, of the American Legion, Charleston, W.Va., urging the repeal of the Tyson-Fitzgerald bill; to the Committee on World War Veterans' Legislation.

977. By Mr. STRONG of Pennsylvania: Petition of Ansell E. McMullin Post, No. 392, American Legion, Reynoldsville, Pa., recommending that "all contracts for the carrying of mail be awarded on competitive bidding to the lowest responsible bidder"; to the Committee on the Post Office and Post Roads.

978. By Mr. SUTPHIN: Petition of Reserve Officers' Association, Department of New Jersey, protesting against weakening of national defense and against any reduction in the number of officers in the Regular Army; to the Committee on Military Affairs.

979. By the SPEAKER: Petition of the Reserve Officers' Association of the United States, Department of New Jersey, protesting against any further weakening of the national defense, and in particular against any reduction in the number of officers in the Regular Army or in the amount of training given to reserve officers; to the Committee on Military Affairs.

980. Also, petition of the city of Racine, Wis., petitioning Congress to adopt a 30-hour work week measure with proper minimum-wage provisions attached without undue delay; to the Committee on Labor.

981. Also, petition of the Sixty-six Nonpareil Americans, Inc., petitioning the President of the United States, the Congress now in session, and the Governor of the State of Alabama, in their respective powers, privileges, and discretions, to intercede and save the lives and liberties of the nine Scottsboro boys whose fate now pends before the courts of the State of Alabama and the United States Supreme Court; to the Committee on the Judiciary.

982. Also, petition of the American Transit Association, requesting to enact into law House bill 5009; to the Committee on the Judiciary.

983. Also, petition of the city of Cambridge, Mass., condemning the persecution reported to be committed against members of the Jewish faith in Germany; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MAY 10, 1933

(Legislative day of Monday, May 1, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kendrick	Robinson, Ark.
Ashurst	Costigan	Keyes	Robinson, Ind.
Austin	Couzens	King	Russell
Bachman	Cutting	La Follette	Schall
Bailey	Dale	Logan	Sheppard
Bankhead	Dickinson	Loneragan	Shipstead
Barkley	Dieterich	Long	Smith
Black	Dill	McCarran	Stelwer
Bone	Duffy	McGill	Stephens
Borah	Erickson	McKellar	Thomas, Okla.
Bratton	Fess	McNary	Thomas, Utah
Brown	Fletcher	Murphy	Townsend
Bulkley	Frazier	Neely	Trammell
Bulow	George	Norbeck	Tydings
Byrd	Goldsborough	Norris	Vandenberg
Byrnes	Hale	Nye	Van Nuys
Capper	Harrison	Overton	Walcott
Caraway	Hastings	Patterson	Wheeler
Carey	Hatfield	Pittman	White
Clark	Hayden	Pope	
Connally	Johnson	Reed	
Coolidge	Kean	Reynolds	

Mr. KEAN. I should like to announce the absence of my colleague the junior Senator from New Jersey [Mr. BARBOUR], owing to illness. I ask that this announcement may stand for the day.

Mr. KENDRICK. I desire to announce that the Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. GORE], the Senator from New York [Mr. WAGNER], the Senator from Virginia [Mr. GLASS], the Senator from California [Mr. McADOO], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate on official business.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, and that the House insisted upon its disagreement to the amendment of the Senate numbered 83 to the said bill.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. BLANTON, Mr. BUCHANAN, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 5480) to